

## France Recalls Pretoria Envoy, Halts Investment

By Frank J. Prial  
New York Times Service

PARIS — France recalled its ambassador to South Africa on Wednesday and suspended all new investment in a protest against the imposition of a state of emergency there. The number of arrests in the crackdown has risen to more than 650.

The punitive measures, announced by Prime Minister Laurent Fabius, are the most serious taken against South Africa by a Western country since the state of emergency went into effect Sunday.

There was no immediate comment on the move by the South African government.

Mr. Fabius said that both the freeze on new investment and the recall of Ambassador Pierre Boyer were effective immediately. He said that the two measures had been decided on by the French cabinet at its weekly meeting Wednesday morning.

In May, the Socialist government reversed a long-standing policy of opposing economic sanctions against South Africa. At the time, Mr. Fabius said that investment in the white-ruled nation would be cut within 18 months unless basic respect for human rights improved markedly. Wednesday's action moved up that timetable by almost 16 months.

In his statement, the prime minister said: "For all people who support justice and the rights of man, the apartheid regime in South Africa is inadmissible. It institutionalizes racial discrimination; it undermines the moral and political principles on which our society is based."

The UN Security Council will meet Thursday on the situation in South Africa, in response to an urgent request by France, the United Nations announced Wednesday. Reuters reported from the United Nations in New York.

giving the order to fire on the population, the South African government has only reinforced its repression."

The measures against the South African government may have been prompted in part by mounting pressure on the French government to take sterner action than the rest of the Western nations.

Le Monde, a Paris daily newspaper, ran a scathing cartoon criticizing what it saw as an equivocal stand by the United States, and it warned in an editorial that "the moment has without doubt come to step up the pressure on the leaders in Pretoria so that they take action before it is too late."

Just an hour before Mr. Fabius made his announcement, Claude Estier, president of the foreign affairs commission of the National Assembly, called on the government to come up with "concrete measures to express France's abhorrence of the methods being used by the South African leaders."

Mr. Estier said that "faced with such glaring abrogations of fundamental human rights, it is no longer possible to take refuge in verbal protestations."

French investment in South Africa amounts to \$1.6 billion. To supply its nuclear generators, France buys about 25 percent of its uranium from South Africa, which is also France's most important source of imported coal and the biggest market for France's electronic industry. South Africa's first nuclear generating plant, near Cape Town, was constructed at the beginning of the 1980s by Framatome, a consortium of French companies.

The immediate question is whether to accept King Hussein's proposal for the United States to meet with a Jordanian-Palestinian delegation, thereby keeping alive the Jordanian leader's peace initiative, or to yield to Israeli assertions that the United States should not sit with Palestinians but instead press Hussein to



100 FREED — Former detainees waved to friends after Israel released them Wednesday from the prison at Aitif, north of the Israeli defense line in south Lebanon.

In Beirut, the Shiite Moslem leader, Nabih Berri, criticized Washington for failing to secure the freedom of all the Lebanese in Aitif. About 330 are still being held.

## U.S. Maneuvering Between Israelis, Arabs

By Bernard Gwertzman  
New York Times Service

WASHINGTON — The Reagan administration, in attempting to ceter simultaneously to the interests of two of its closest friends in the Middle East — Israel and Jordan — is in serious danger of offending both.

The issue is how Palestinians should be included in the peace process, a problem that has been at the heart of the Middle East impasse for nearly 20 years.

It has never been easy for the United States to maneuver smoothly between Israel and moderate Arabs because the Arab and Israeli interests rarely coincide. The current difficulty is more pronounced because the United States is being asked by Jordan to deal with Palestinians chosen by Yasser Arafat, the leader of the Palestine Liberation Organization, and that has raised serious alarms in Israel.

The immediate question is whether to accept King Hussein's proposal for the United States to meet with a Jordanian-Palestinian delegation, thereby keeping alive the Jordanian leader's peace initiative, or to yield to Israeli assertions that the United States should not sit with Palestinians but instead press Hussein to

agree to meet Israel in direct negotiations, perhaps accompanied by some Palestinians approved by Israel.

Hussein contends that no agreement is possible without high-level Palestinian involvement in the negotiations. Israel, having negotiated a peace treaty directly with Egypt, would like to repeat that formula with Jordan, although it

### NEWS ANALYSIS

recognizes that some Palestinians have to be involved.

Within the U.S. administration there is sympathy for Hussein and for Prime Minister Shimon Peres of Israel. Secretary of State George P. Shultz and other top officials assert that Hussein, against all odds, has finally brought the PLO into agreement on the usefulness of a negotiated accord with Israel. The officials say he faces serious threats from Syria, which opposes his moves. If the United States lets him down, it could be the last Arab peace initiative for a long time.

Mr. Peres, who heads a divided unity government, is regarded as more willing to run risks for peace than any other leading Israeli

politician. Off the record, administration officials express the hope that an election will be held in Israel and that Mr. Peres, the Labor Party leader, will defeat Foreign Minister Yitzhak Shamir, the leader of the Likud bloc, who has been consistently tougher than Mr. Peres in opposing negotiations.

The U.S. hope is that such a victory would give Mr. Peres a mandate for negotiations with Jordan and Palestinians in the West Bank and the Gaza Strip. Until then, they acknowledge, his flexibility is limited. To help Mr. Peres, Washington has responded generously to his appeal for \$2 billion in additional aid this year.

Because of the problems involved, senior administration officials say, the United States must handle the Hussein initiative cautiously.

"We're in no rush," a leading State Department official said after a meeting between Mr. Shultz and senior Middle East experts headed by Richard W. Murphy, the assistant secretary of state for Near Eastern and South Asian affairs. "We have a lot of studying to do and talking with the players."

The problem with quickly accepting the plan for meeting with the Jordanian-Palestinian delegation

(Continued on Page 2, Col. 6)

## India Reports Peace Accord With Sikh Party

United Press International

NEW DELHI — The Indian government and a major faction of the Sikhs' political party reached an agreement Wednesday to end four years of strife, which led last year to the army's attack on the revered Golden Temple and the reported assassination of Prime Minister Indira Gandhi.

The agreement was announced in Parliament by Prime Minister Rajiv Gandhi after two days of negotiations between officials and the Akali Dal.

The government conceded all the major demands of the party, which claims to represent most of India's 15 million Sikhs, who form 2 percent of the nation's population.

Under the pact, the government agreed to:

• Designate Chandigarh as the capital of Punjab state, where most Sikhs live. Chandigarh is presently the shared capital of Punjab and Haryana.

• Hindu-speaking areas added to Chandigarh when it became the capital will revert to Haryana state. A federal commission will be set up to determine specific areas of Punjab that should go to Haryana because of the loss of the capital.

• A river-waters dispute is to be

(Continued on Page 2, Col. 4)

## Thatcher Almost Loses Vote on Pay Increases

By Harvey Morris  
Reuters

WEDNESDAY THAT THEY WERE WARNED by John Wakeham, the chief whip responsible for party discipline, that a government defeat in the pay debate could have meant an early general election.

Mrs. Thatcher does not have to call an election until 1988 although most commentators expect her to fix it for the autumn of 1987.

Commentators believe that she will face sharp criticism from discontented Conservatives at the party's annual conference in October.

The pay vote was the latest setback for the government, which this month polled a poor third in a Welsh by-election and has been falling in opinion polls.

The rebellion came in the closing days of the parliamentary year, which ends Friday. Before Parliament resumes in late autumn, Mrs. Thatcher is expected to reshuffle her cabinet.

In a report on Wednesday, a parliamentary committee concluded that Britain was justified in sinking the Argentine cruiser, the General Belgrano, during the 1982 Falklands war.

But in a minority report, Labor members of the Commons' Foreign Affairs Committee said that questions remained and called for a parliamentary inquiry into the affair.

The General Belgrano was torpedoed in the south Atlantic on May 2, 1982, and 368 Argentine seamen were killed in the bloodiest encounter of the war.

The majority report of the 11-member committee said that the sinking was justified on military grounds and was not undertaken for political motives. Opponents of Mrs. Thatcher have alleged that she ordered the attack to scuttle Peruvian peace efforts.

The report said that the evidence pointed to the General Belgrano being part of a coordinated Argentine fleet preparing to attack a British task force steaming for the Falklands.

## Aides Say U.S. Considered Bombing Rebel Training Base Near Managua

By Joel Brinkley  
New York Times Service

WASHINGTON — The Reagan administration seriously considered attacking a base in Nicaragua, where it believed Salvadoran guerrillas were trained, according to senior administration officials.

The officials, who included State and Defense Department aides, said Tuesday that they believed one or more of the Salvadorans involved in the terrorist attack last month in which four U.S. marines and two U.S. civilians were killed had been trained there.

The plan, discussed at senior levels in the White House, would have involved a so-called surgical air strike against one or more training camps that the administration says Nicaragua has set up in the countryside not far from Managua.

The officials decided not to carry out the plan but to warn the Nicaraguan government instead of "serious consequences" should the administration conclude that it was linked to terrorist acts in the future.

Nicaragua has strongly denied that it has either practiced or supported terrorism and has characterized U.S. support of anti-government rebels as state-sponsored terrorism against Nicaragua.

Harry E. Bergold, the U.S. ambassador to Nicaragua, delivered the American warning to the Sandinist government last Wednesday. A senior official said Tuesday that the administration had "laid down the gauntlet" with that warning by stating that a second situation would be sufficient to warrant a limited U.S. military strike.

Larry Speakes, the chief White House spokesman, said Wednesday: "We have outlined in firm tones our policy on attacking terrorist centers or those responsible for terrorist attacks," United Press International reported from Washington. "That policy remains."

"We are aware that the government of Nicaragua supports those involved in these preparations," the note said, "and we believe the government of Nicaragua may be directly involved."

"We will take appropriate action. The level of our response will be proportionate to the loss incurred," Mr. Speakes said.

Since last fall the Reagan administration has said that if Nicaragua acquired high-performance fighter planes, like the Soviet MiG-21, the United States would probably order a "surgical" air strike to destroy them. The senior official said the White House had decided that any future Sandinist-inspired terrorist attacks would constitute "another situation like aquiring MiGs."

The term surgical air strike is used to describe a limited strike intended to destroy a specific target and then end without further involvement and with limited civilian casualties. Some administration officials say the Sandinistas would most certainly respond to even a limited attack, perhaps by attacking

the U.S. Embassy in Managua, leading to a more generalized military confrontation.

For several years, administration officials have contended that the Sandinists maintain secret bases where leftist guerrillas from El Salvador are trained, a charge that Nicaragua has repeatedly denied.

But senior officials who have access to intelligence information about Nicaragua said recent intelligence had led the administration to believe that one or more of the Salvadorans involved in the terrorist attack last month in which four U.S. marines and two U.S. civilians were killed had been trained there.

It was these new reports that inspired the discussions about retaliation, the officials said. They acknowledged that the information was not conclusive, but cited a report that one or more of the Salvadoran killers visited Nicaragua within 48 hours of the shootings.

The diplomatic note delivered last week also said the United States had "indications that preparations are under way to introduce a program of terrorist attacks against U.S. personnel in Honduras," where the United States maintains a large military presence.

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## Aides Fail to End Row Over European Fighter

By Axel Krause  
International Herald Tribune

PARIS — Five West European defense ministry officials failed at a meeting in Madrid to resolve their protracted dispute over plans for jointly building a new combat plane for the 1990s, participants said Wednesday.

The project, known as the European Fighter Aircraft, is widely regarded as a major test of European cooperation. It could lead to the building of 1,000 aircraft, representing orders of \$30 billion.

Agreement has been blocked by a dispute between France and Britain over such questions as design leadership and engine requirements.

"Unfortunately, the situation is totally deadlocked, with no viable solutions in sight," said a senior aerospace industry executive in West Germany after the meeting, which examined several compromise proposals. No details on the proposals were disclosed.

The defense officials from the five participating countries, which also include Britain, France, Italy and Spain, are to review the results of the Madrid meeting "as a matter

of urgency," said a British Defense Ministry spokesman.

Several officials, who declined to be identified, said that a new meeting would be scheduled in the fall, and report in Paris, London and Bonn that several other plans for a new fighter were being studied by defense ministry and industry officials in consultation with their heads of government.

"At this point it appears that only a political solution at the highest levels can resolve the differences," said a senior official in Bonn. He added that Manfred Wörner, defense minister of West Germany, would continue pressing for a five-nation solution.

If France withdraws from the project, West German officials said, the most likely alternative for Bonn would be to establish a four-nation consortium built around the Tomcat fighter-bomber organization. That venture was established by Britain, West Germany and Italy in 1969.

West Germany has also explored building a new fighter with France as the main partner, and is examining several other projects, including cooperative ventures between Germany and U.S. aerospace companies.

## 2 Spanish Officers Are Jailed For Holding Mock Executions

United Press International

ZARAGOZA, Spain — Two army officers who herded villagers into a public square for mock executions during war games were sentenced Wednesday to prison terms of four and five months, military authorities said.

A military tribunal here ruled that Captain Carlos Aleman and Lieutenant Jaime Iniguez had been overzealous in carrying out orders, but it acquitted them of charges of military disobedience.

"They were ordered to stage a mock invasion of a town and to make it as realistic as possible, but they went too far," said a Defense Ministry spokesman. Lieutenant Aleman died.

In a scene reminiscent of the Spanish Civil War, Lieutenant Iniguez led a nine-man special forces squad to the northeastern moun-

tain village of Abeneciz during war games in June 1984.

Prosecutors said soldiers herded villagers into the square, where Lieutenant Iniguez read a proclamation ordering the executions of Mayor José Galindo and the court bailiff, Generoso Ara, for harboring rebels.

As the mayor's wife screamed, Mayor Galindo and Mr. Ara were placed before a wall and Lieutenant Iniguez ordered his men to fire. The soldiers fired blanks.

During the hearing, Captain Aleman acknowledged that the mock executions were his idea. He said he was playing the role of the commander of an invading army.

Lieutenant Iniguez told the panel that he had orders to call off the mock executions if the villagers appeared frightened but that they had appeared calm.

### Salvadoran Workers Strike

The Associated Press

SAN SALVADOR — About 15,000 public and private workers staged a one-day strike in El Salvador on Tuesday to demand higher wages and freedom for four jailed labor leaders.

Mr. Longowal, a relative moderate

## U.S. Ending Case Against President Of Teamsters

By Ronald J. Ostrow and Robert L. Jackson  
*Los Angeles Times Service*

WASHINGTON — The U.S. government has decided to drop its 32-month-old labor fraud investigation of Jackie Presser, president of the Teamsters union.

Government sources said Tuesday night that the investigation was

being dropped because the Justice

Department had concluded that the case lacked "prosecutive merit."

The politically sensitive case

was developed by Labor Department

investigators assigned to a federal strike force in Cleveland.

Ray Maria, the deputy inspector

general in the Labor Department

who oversees labor racketeering in

investigations, said, "We have no

pending investigation of Jackie

Presser." He declined to elaborate.

The decision not to prosecute

Mr. Presser came six months after

federal prosecutors in Cleveland

recommended that he be indicted

on charges of authorizing union

payments to "ghost employees," or

cronies who did no work but ap-

peared on the payroll of Cleveland

Teamsters Local 507, of which Mr.

Presser is secretary-treasurer.

Mr. Presser's reported status as a

source of information for the FBI in

other investigations was a key

impediment to prosecution, sources familiar with the case said.

It was also learned that high officials

in the Department of Justice had ordered a new inquiry into why the

FBI did not tell the department

for nearly two years that Mr. Presser had acted as an informant.

Providing information to the

FBI does not normally give a per-

son immunity from prosecution.

But in Mr. Presser's case, the

sources said, FBI officials were

concerned that sensitive information

about other investigations

might be disclosed in the course of

prosecuting him.

Mr. Presser is President Ronald Reagan's lone political supporter among major American labor leaders.

But throughout the unusually

long course of the investigation

Justice Department officials insisted

that politics would play no role in

the case.

The decision not to prosecute is

certain to be controversial because

of Mr. Presser's political connections

and because the Justice Department

rejected the recommendation of

strike force prosecutors.

Department officials had sent the

investigators back to the field for

more work, delaying the case for

nearly a year.

Mr. Longowal, a relative moderate

## U.S. House Sets Ceiling On Its Spending Bills

Compiled by Our Staff From Dispatches

WASHINGTON — The House approved legislation Wednesday binding all its spending bills to the House budget plan, an attempt to cut the federal deficit without waiting for a House-Senate conference committee to agree on a budget.

The resolution, approved 242-184, commits the chamber to achieving the \$56 billion in savings for the next fiscal year that was called for in the budget it passed earlier. The measure is not binding on the Senate.

The Senate has passed its own

budget, also calling for \$56 billion in savings, but the houses differ on which programs to cut. Talks between the two chambers broke down last week after Senate negotiators rejected a House compromise as providing too much for domestic programs and too little for military programs.

"My position has been no budget," said Senator John H. Chafee of Rhode Island, the third-ranking member in the Senate Republican leadership. He said that no budget would be preferable to a budget "that is bad and in many respects deceives the people" about how well it would deal with the nation's deficit problem.

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Meanwhile, the top Democratic and Republican leaders from the House and Senate met at the White House on Wednesday with President Ronald Reagan.

The session was called to discuss the congressional agenda before legislators leave town Aug. 2 for a monthlong recess. The stalled budget talks, which have backed up other legislative business, are certain to be a prime topic.

Mr. Dole said that he hopes the Senate will have an alternative deficit-reduction package to offer to the House this week, but so far Senate Republicans have not settled on the details of that offer.

(UPI, AP, NYT)

### Line-Item Veto Killed

Thomas P. O'Neill Jr., a Massachusetts Democrat who is speaker of the House, said Wednesday, "Many of us think the budget is not the soundest thing in the world because we waste too much time on it."

Mr. O'Neill's statement followed remarks by some Senate Republicans suggesting that the 1986 congressional budget at all might be better than a compromise that did not cut domestic spending enough.

Even the unexpected help of

Senator Edward M. Kennedy and the president's first personal lobbying since his cancer surgery failed to muster the 60 votes needed. The motion to limit debate failed, 58-

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Beginning in 1981, Sikh separatists began a campaign of terror against moderate Sikhs and Hindus, murdering hundreds who opposed a separate state.

In June 1984, Mrs. Gandhi ordered the army to storm the headquarters of the extremists, at the Golden Temple of Amritsar, the holiest shrine of the Sikh religion.

■ Violence in Western State

Anti-terrorist measures were imposed Wednesday in India's western Gujarat state to curb sectarian violence in which at least 37 people have been killed in the past week. Reuters reported from New Delhi.

Mr. Gandhi's announcement was greeted as a surprise because the Akali Dal was in disarray. Mr. Longowal led one faction while the other was headed by the father of a zealous religious leader, Jarnail Singh Bhindranwale, who died in the temple battle.

It was not immediately clear if the agreement would pave the way for the lifting of federal rule in Punjab and for state elections. Punjab did not vote in national elections earlier this year because of terrorist activity in the state.

Mr. Gandhi's announcement was greeted by a loud thumping of desks by members of both the ruling Congress (I) Party and the opposition.

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## IEFS

**An Accident**  
A document has been prepared by the U.S. and Soviet governments in East Berlin, which has been signed by the two countries. The document is expected to be signed by the two countries on July 13, 1986.

**East Study**  
A committee has completed its work in East Berlin, which is expected to be completed by the end of the year. The committee has been working on the issue of the transfer of power from the Soviet Union to the German Democratic Republic.

**Light's Record**  
A U.S. ambassador-designate to the Soviet Union has made a statement that the U.S. and Soviet Union should work together to resolve the crisis in Central America.

**He Said He Felt Burden More During Reagan's Surgery**

By Gerald M. Boyd  
New York Times Service

WASHINGTON — Vice President George Bush says he felt the burden of responsibility more heavily when President Ronald Reagan underwent cancer surgery, on July 13, than he did when the president was shot in 1981.

In the first interview he has granted since being acting president for eight hours on the day of Mr. Reagan's operation, Mr. Bush said his sense of responsibility was heightened that day by his "more defined" role. Before the surgery Mr. Reagan signed a letter temporarily turning over power to the vice president.

Mr. Bush suggested that the forewarning of the surgery, compared with the surprise and shock of the shooting, had allowed him more time to reflect on the situation.

He noted that there were fewer "question marks" about the president's health in the most recent surgery, but added, "With the actual transferring of power there was somewhat of a different feeling."

He strongly denied that he had been shunted aside by Donald T. Regan, the White House chief of staff. He said that the most difficult moment of the period was the "uncertainty" when it was unclear how the operation would go or what would be found. That feeling eased, the vice president went on, as the president's doctors began providing encouraging news.

While Mr. Reagan was under anesthesia and its effects at the Naval Medical Center in Bethesda, Maryland, the transfer of power made Mr. Bush acting president.

In the letter Mr. Reagan had written: "I have determined, and it is my intention and direction, that Vice President George Bush shall discharge these powers and duties in my stead commencing with the administration of anesthesia to me." The president signed another letter the evening reclaiming his powers.

Mr. Bush said Tuesday that he had spent the eight hours as acting president at his official residence here, on the grounds of the Naval Observatory. He engaged in the



George Bush

said that throughout much of last week he and the White House operated in a manner similar to that in the period when the president was hospitalized in 1981.

"I'm not sure that scheduling-wise, and the way people performed, there wasn't much difference," he said. "And I think that most people around the country felt that things went along smoothly."

He said he did not know if his actions had hurt or helped his public standing in regard to a possible bid in 1988 for the Republican Party nomination for the presidency.

The relationship between the vice president and Mr. Regan, the chief of staff, has been the subject of some speculation since Mr. Reagan assumed responsibility for the day-to-day operations of the White House during the president's convalescence.

The vice president said that there was "no sense of tension" between him and Mr. Regan. He acknowledged, however, that there had been a disagreement over whether he should return to Washington from Maine on the day of Mr. Reagan's surgery. Mr. Bush had gone to his summer house in Kennebunkport for the weekend but then decided to return to Washington.

"There was a difference in coming back," he said. "But I never had the feeling that somebody was trying to say that, 'Don't come back because we want you off the sidelines.' There was nothing like that. It's very unfair to Don Regan, absolutely unfair."

Mr. Bush said that the preference of some Reagan aides that he remain at his place in Kennebunkport reflected a wish to avoid heightening tension to what was supposed to be a routine operation.

Asked about his schedule during Mr. Reagan's recuperation, which doctors have estimated will take seven to eight weeks, the vice president said that there would probably not be a lot of activity by him in that period.

Much of official Washington will be on vacation, he noted, thus reducing the likelihood of any need for a change in his role.



Suspects were arrested and property was seized in Chicago and other cities, as federal and local law enforcement agents applied a new statute in a crackdown on drug dealing.

## 134 Arrested in Major U.S. Drug Raid

Los Angeles Times Service

CHICAGO — Federal authorities said they disrupted operations of a nationwide heroin, cocaine and marijuana smuggling and distribution ring by arresting 134 persons and seizing cars, candy stores, taverns and apartment houses.

The seizures were made Tuesday under the 1984 Comprehensive Crime Control Act, which allows the government to use civil courts to obtain forfeiture of property allegedly used in drug transactions.

It was the first large-scale action under the new law.

On Tuesday, federal agents seized 31 houses and apartment

houses, two gasoline stations, two candy stores, five taverns, two restaurants, two jewelry stores, a flower shop, two mobile homes and a large number of automobiles.

The raid took place in Illinois and Indiana, with additional arrests in Colorado, California and Texas. Nearly 300 agents from six different agencies took part.

A statement from the Justice Department said: "As a result of the new law, the United States now owns all of the seized property and the burden is on the former titleholder to prove he has no knowledge that the property was used to facilitate drug transactions."

U.S. authorities said that more than 2,000 persons are involved in the Herrera organization.

The 134 persons arrested were accused by federal grand juries in Illinois and Indiana of taking part in conspiracies to smuggle and distribute heroin, cocaine and marijuana. They also are accused of allegedly using telephones and traveling interstate to facilitate narcotics offenses.

## Kay Kyser Dies in U.S. at 79; Led Band on Radio Program

Los Angeles Times Service

LOS ANGELES — James Kern Kyser, the bandleader who conducted radio's "Kay Kyser's Kollege of Musical Knowledge," died Tuesday of a heart attack in Chapel Hill, North Carolina. He was 79.

From 1933 until 1949 "Kay" Kyser and his band rode atop the radio ratings. At the height of his career 20 million people were listening to his weekly program of dance music interspersed with quiz questions. He stopped performing in 1950 and devoted the last 35 years of his life working with the Christian Science Church.

During World War II Kyser's

was among the most wanted bands

on the military circuit. He once

estimated that he had appeared at

more than 500 camps, bases and

hospitals. When the military draft

backed, Mr. Kyser said he could

do more for the war effort as a

guitarist than in the Army. He was

given an exemption.

In 1963 he was named president

of The Mother Church, The First

Church of Christ, Scientist, in Bos-

ton, an honorary title given to a

member who has made a signifi-

cant contribution to the movement.

## U.K. Government Drops School Punishment Bill

The Associated Press

LONDON — The Conservative government has dropped a bill that would have let parents decide whether their children could be subject to corporal punishment at school.

The Education secretary, Sir Keith Joseph, said in the House of Commons Tuesday that the bill would be abandoned, leaving schools free to choose whether to can and spank students.

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## Boeing and GE Propose Refund for Excess Costs

By Wayne Biddle  
New York Times Service

WASHINGTON — The Boeing Co. and the General Electric Co., which rank fifth and sixth, respectively, in the nation as weapons contractors, have offered refunds on spare parts and equipment that the Pentagon has been under pressure to improve purchase procedures. Congress is considering broad amendments in military program bills this year. Some of the changes have angered contractors as too severe.

Secretary of Defense Caspar W. Weinberger said Tuesday that the proposals were made known, that he had ordered the creation of a similar refund policy throughout military industry.

Both companies have offered to refund, within three months after delivery, the money paid for spare parts or support equipment if the prices were found by the government to be unreasonable.

"We believe this is a constructive step in demonstrating to the public that none of us want or seek prices that lead to the kind of examples which have been the focus of so much attention in recent times," Edward E. Hood Jr., vice chairman of GE, said in a letter on July 1 to William H. Taft 4th, deputy secretary of defense.

Mr. Hood added that GE would agree to retroactive changes in existing contracts to cover previously delivered parts and equipment.

For more than a year — since accounts of vastly overpriced military spare parts first came to public attention — weapons suppliers and the Pentagon have been under pressure to improve purchase procedures. Congress is considering broad amendments in military program bills this year. Some of the changes have angered contractors as too severe.

A Boeing vice president, Lionel D. Alford, wrote to Mr. Taft in April: "Instances continue to occur where the price that we charged for a spare part or item of support equipment is challenged after the procurement has been completed."

"In order to eliminate this problem," he added, "we are establishing a policy whereby any item that has been purchased at prices that thereafter appear to have been unreasonable can be returned to Boeing."

The Defense Department did not explain why the April offer had not been made public sooner.

Every piece of jewelry has a story to tell.



A measure of excellence



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Fans at the Mexico City Olympics gasped when Bob Beamon long-jumped 29' 2 1/4" — 8.90 m. — surpassing the existing world record by an incredible 21 inches. Today 17 years later, that jump remains a measure of excellence in athletics.

Seeking to better Beamon's mark is history's second longest jumper, Carl Lewis. In fact many of the world's finest athletes will be vying for records and points in this summer's IAAF Mobil Grand Prix. A season of 16 international meets, the Grand Prix is sponsored by Mobil and organized by the International Amateur Athletic Federation.

Forthcoming Grand Prix competitions include the Bislett Games in Oslo on 27 July, the IAC Meeting in London on 2 August, and the Budapest Grand Prix in Budapest on 4 August.

Grand Prix points are awarded to athletes on the basis of their performances and times. World records gain extra points. At the conclusion of the season, Grand Prix awards will be made to the outstanding male and female athletes and to the outstanding performers in each event.

Mobil supports the Grand Prix because it believes in rewarding consistent achievement at the highest levels. After all, it's the truest measure of excellence.

## Treasure Ship Called Scientific Boon

By Jon Nordheimer  
New York Times Service

KEY WEST, Florida — Besides yielding riches of silver and gold, the sunken Spanish galleon discovered Saturday off Key West may prove to be a scientific bonanza, according to the chief archaeologist of Treasure Savors Inc.

"It's a virgin shipwreck in situ, one of the greatest treasure finds from an ancient shipwreck recorded anywhere," said Duncan Mathewson.

Backers of the limited partnership spent years and millions of dollars to search hundreds of square miles of sea bottom for the remains of *Nuestra Señora de Atocha*, the 350-ton flagship of a Spanish treasure fleet. The vessel sank in a hurricane on Sept. 6, 1622, about 40 miles (64 kilometers) west of this island city.

At first, members of the company estimated the value of the treasure at more than \$400 million.

Mei Fisher, the salvage operator, whose crews had been searching for

## Bulgarian Urges Area Nuclear Ban

Reuters

ATHENS — Todor Zhivkov, the Bulgarian leader, said Wednesday that the creation of a nuclear-free Balkans should be given top priority by area governments.

Speaking at the end of a three-day visit to Greece, Mr. Zhivkov said such a move could be the first step toward a nuclear-free Europe.

Although Greece supports the Bulgarian proposal, Albania has turned it down, Romania is delaying a response and Turkey has raised major objections.

Noting that the vessel was built

## Dole and Kemp Call a Truce To Halt Republican Feud

Washington Post Service

WASHINGTON — Two of the Republican Party's leading presidential aspirants, Representative Jack F. Kemp of New York and Senator Robert J. Dole of Kansas, have arranged a private truce in their increasingly tart public feud.

After a week of bitter exchanges

Mr. Dole muted his criticism of

Mr. Kemp in an appearance on a television interview program. "I

think I make harder choices sometimes than he does, but the quarrel

is not between two members of Congress," he said.

Mr. Kemp, who had watched the program, called to say he appreciated Mr. Dole's restrained comments, according to John Buckley, Mr. Kemp's press secretary. While both Republicans will continue to disagree on many issues, Mr. Kemp wanted to dampen the "public rancor," Mr. Buckley said.

Mr. Dole said through an aide Tuesday that the two men had "agreed it was a little bit early for the fireworks over 1988 to start."

**MATTEI**

## Barbie's Lawyer: An Anti-Establishment Renegade

By Jeffrey Ulbrich  
*The Associated Press*

PARIS — Jacques Vergès, the lawyer defending the Nazi war criminal, Klaus Barbie, is an enigma.

Resistance fighter, former member of the Communist Party, publisher of revolutionary periodicals, defender of Algerian rebels, Palestinian guerrillas and European terrorists, Mr. Vergès, 60, seems an unlikely candidate to take up Barbie's cause.

Barbie, who has been in French custody since 1983, is facing charges of complicity in the deportation of 452 French Jews in 1943 and 1944 while he was a Gestapo officer in Lyon. A judge last week dropped more serious charges involving "assassinations, arrests and deportations" after a pre-

trial investigation failed to confirm that he had killed anyone during World War II.

Prosecutors are to decide within two months whether Barbie is to stand trial on the reduced charges.

Mr. Vergès's career is studded with spectacular cases, a year's suspension, foreign adventures and attention-grabbing headlines.

He is vehement in his attacks on the establishment. He is articulate on subjects that arouse his passion. He is vague on certain aspects of his past, his relationships with such personages as Pol Pot, Raymond Barre and Ahmed Ben Bella.

He has been the subject of much speculation and many outrageous articles, but he never denies anything said about him.

There is a common point in all of his cases: a systematic attack on the state and the judicial system. And he admits a sympathy with people who are at odds with society and its morals.

"My law is to be against laws," he says in one of his several published works. "My moral is to be against morals."

But why, Barbie, who is awaiting trial in Lyon for crimes against humanity stemming from his World War II activities?

"Given the person, not real but mythical, fabricated for political reasons by the government and the media, I think it is the duty of a lawyer to defend him," Mr. Vergès said. "I think that an accused has the right to a defense, and not a parody of a defense."

In Mr. Vergès's view, Barbie was insignificant, an SS captain who had remained anonymous because it was not for the fact that he was connected with the arrest and death of Jean Moulin, the greatest hero of the French Resistance.

Mr. Vergès believes that Moulin was betrayed by the Resistance itself during internal squabbling. And it is his intention to make the trial a trial of the Resistance.

Mr. Vergès, a twin, was born March 5, 1925, in Ubon, Siam, later Thailand, the son of a French diplomat and a Vietnamese woman.

His father, Raymond Vergès, originally from the French Indian Ocean island of Réunion, was in charge of the French Consulate at Ubud in 1925. He later resigned and set up shop as a doctor in Laos.

"I was Eurasian, born at a time when this characteristic was difficult to bear," Mr. Vergès says, referring to the colonial period when racism was common.

The family returned to Réunion in 1928 and Mr. Vergès spent his youth there, attending the Lycée Saint-Denis, where he was a classmate of Raymond Barre, later to become prime minister of France and currently a presidential hopeful.

During World War II, at 17, Mr. Vergès joined the Free French forces in England, later serving in Algeria, Morocco, Italy, France and Germany. Demobilized in Paris, he did his university studies in Oriental languages, history and law. In 1945, he joined the Communist Party.

During his student years, Mr. Vergès headed the liaison committee between the different associations of colonial students. It was at that time that he met Pol Pot, then

Djamila Bouhired, a young Algerian woman accused of being part of a bombing network during the Algerian war for independence against the French. At the end of the war, Mr. Vergès married her, converted to Islam, and took the name Mansour.

The Algerian National Liberation Front asked Mr. Vergès to take charge of a group of lawyers formed to defend rebels. He became a terror of the courts, attacking the judicial system.

In 1961, he was suspended for a

year for his courtroom tactics and attacks on judges. He then went to Morocco, where he worked as a liaison officer between the rebel Algerian Army and other African independence movements.

After Algerian independence in 1962, he returned to Algeria and became counselor to the foreign minister. He later edited the weekly *Révolution Africaine*, the official organ of the ruling National Liberation Front.

But a year later he left Algiers following political differences with President Ben Bella.

Back in Paris, he founded a pro-Chinese monthly. Mr. Vergès made numerous trips to China and met with Mao several times.

In 1965, he went back to Algiers as a lawyer. Using his French passport, he went to Israel at the request of the Palestine Liberation Organization and the Algerian government to defend the first Palestinian guerrilla put on trial there. He was expelled from the country.

Subsequently, he defended other Palestinians in Greece and Switzerland on charges of hijacking.

In March 1970, he told friends he was traveling to Alicante, Spain

for his first trial. He was not seen again until late 1978.

Where was he? He won't say. "I do not have the intention of running for office or becoming a minister, so the employment of my years and my might belong to me," he said.

Among the most prevalent theories is that he renewed his friendship with Pol Pot and participated in those bloody years in Cambodia. Mr. Vergès neither confirms nor denies it.

The army, which has ruled Guatemala either directly or from behind the scenes since a U.S.-backed coup in 1954, recognizes that a civilian president would find it easier to obtain increased U.S. aid. The officers are also tired of trying to cope with accelerating inflation and stagnant growth, Guatemalan officials and foreign diplomats said.

However, the armed forces would continue to exert considerable influence even after General Oscar Humberto Mejia Victores steps down as chief of state, Guatemalan politicians and foreign diplomats said.

The new president will govern with the knowledge that offending the army could lead to a military coup, of which there have been two here in the past three and a half years.

Polis and political pundits agree that a Christian Democrat, Vinicio Cerezo, is the early front-runner. He is proposing a cautious program of economic and political reforms and hopes to join José Napoleón Duarte of El Salvador as the second Christian Democratic president in Central America.

Mr. Cerezo, viewed as the least conservative of the leading candidates, is said to be the one who most worries the army. The military is believed to look with greater favor on Jorge Carpio, a conservative newspaper publisher, and on María Sandoval Alarcón, a long-time rightist leader.

Whoever wins the Nov. 3 ballot, or the runoff that ensues if no candidate wins a majority, will take office in January facing a host of problems.

High on the list is the so-called dirty war of assassinations and kidnappings of leftist political activists and other suspected supporters of guerrillas fighting the government.

Human rights activists and church sources said killings and abductions in the capital and in at least one rural area west of here have increased in recent months, and they blamed the government's security forces for this "death squad" violence.

"Before handing over power, they want to sweep things up a little," said Nineth de García, a leader of the Mutual Support Group. Her organization, which was founded a year ago, has become Guatemala's leading human rights group. Two of its leaders were assassinated this spring.

The new regulations allow husbands in Britain to require that all foreign spouses prove that they have a place to live and can support themselves and that the marriage was not entered into primarily for migration purposes. The rules apply to the spouses of both British and non-British citizens. Previously, the marriage motive test applied only to foreign husbands of British women.

The officially recognized inflation rate has quadrupled this year to 16 percent from 3.8 percent in 1984, and diplomats said that a more realistic figure for current inflation was 60 percent annually.

The economic growth rate was expected to stay flat again this year after a minimal expansion of 0.2 percent last year.

## As Elections Approach, Guatemala Is Troubled By Insurgency, Killings

By Robert J. McCartney  
*Washington Post Service*

GUATEMALA CITY — Political killings by rightists, a stubborn Marxist insurgency and a faltering economy are troubling this country as it heads toward November elections to choose a civilian president to replace the current military government.

The far right and the far left appear to be using violence to try to provoke the army's leadership into canceling the election in the name of safeguarding the country's security, according to Guatemalan and foreign observers.

But even skeptics said the nation's top officers seem determined to hand over the presidency to one of the country's civilian politicians for the first time since 1966.

Student associations that describe themselves as progressive have stepped up organizing since late 1984 after lying low for more than a year because of past violence against them, student leaders said.

The nation's Marxist insurgents, estimated by the army to number about 2,000, are active despite having lost considerable ground to the government since 1981 and 1982.

Most of the guerrillas are based in mountains along Guatemala's border with Mexico. The number of wounded received at the capital's military hospital has risen by about 5 percent this year, to an average of about 65 a month, according to an army physician, Major Arnoldo Leal Cruz.

While violence has attracted most international attention, the economy is the principal worry of most Guatemalans.

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The economic growth rate was expected to stay flat again this year after a minimal expansion of 0.2 percent last year.

## U.K. Commons Backs New Rules On Immigration

By Associated Press

LONDON — The House of Commons has voted 309 to 194 to approve immigration rules that eliminate sex discrimination but make it tougher for both husbands and wives to join spouses who already live in Britain.

In the debate before the vote, Home Secretary Leon Brittan said Tuesday that the rules would maintain firm rules on immigration.

The rules are a response to a May 28 ruling by the European Court of Human Rights, which found Britain guilty of sex discrimination because of the country's ban on non-British husbands joining non-British wives who live here.

The new regulations allow husbands in Britain to require that all foreign spouses prove that they have a place to live and can support themselves and that the marriage was not entered into primarily for migration purposes. The rules apply to the spouses of both British and non-British citizens. Previously, the marriage motive test applied only to foreign husbands of British women.

He also suggested giving police the power to search all fans before entry to grounds and arrest fans on the basis of video evidence.

Mr. Popplewell said identity cards were not needed in Scotland where crowd violence has decreased since alcohol was banned from soccer grounds in 1981.

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# INTERNATIONAL HERALD TRIBUNE

Published With The New York Times and The Washington Post

## The Message to Pretoria

South Africa's new state of emergency amounts to martial law and cuts through much recent debate about the country's future. It proves again that a minority of whites cannot enjoy First World prosperity and democracy while pursuing colonial domination over blacks held in Third World conditions.

Through endless cycles of repression and reform, the white regime has been unable to escape its central dilemma: If the whites refuse to share their wealth and power, they inspire the black majority to revolt; and if they try to suppress rebellion with force, they betray their law and culture and are left with a Second World, Polish-style order.

President P.W. Botha has now provided dramatic evidence for both premises. Although his reforms have been politically trivial, they had the effect of discrediting the central doctrines of apartheid. By vaguely promising to reward the docility of urban blacks, he abandoned the pretense that all were citizens of tribal homelands and mere guests in South Africa. When he then failed to deliver on the promise to consult them about their political future, he invited the violence that now propels him to draconian measures.

The crackdown not only subjects blacks to arbitrary rule by the police and military, but also sacrifices the ornaments of white democracy. In much of the country blacks can now be dragged from their homes and detained at will. They can be denied free speech and assembly and any role in putative political activity — even garbage collection in segregated towns. And to sustain this order, white newspapers and courts will be repressed. People will disappear without trace, the police and military will not be answerable in print or in court, and the authorities will be immune to that now propels him to draconian measures.

— THE NEW YORK TIMES.

## China as Nuclear Partner

With the signing of the U.S.-Chinese nuclear agreement, its text will at last become public. The long delay has ended and the Reagan administration has decided to go ahead with the agreement while President Li Xiannian is in Washington. When it reaches Congress, it is likely to become the focus of a careful examination of the intricate system of rules that try to prevent the proliferation of nuclear weapons. The agreement would enable China to buy civilian power reactors in America on condition that it gives no nuclear aid to other countries trying to build nuclear weapons.

This agreement was initiated 15 months ago during President Reagan's trip to China, but after his return it slid silently into the deep freeze. The administration has never offered a public explanation, but it appears there were intelligence reports of Chinese technicians working at Kahuna, where Pakistan has been building a uranium enrichment plant with technology stolen a decade ago from a similar facility in the Netherlands. The Chinese then disappeared from the Pakistani nuclear plant, and Beijing repeatedly declared that it does not help other countries to make weapons.

That now presents the United States with a choice. One side of the argument is that China has never offered the kind of detailed and carefully defined assurances that meet American legal standards. The other side is that it is well worth securing even the Chinese style of pledge from a country that already possesses both nuclear weapons and a good command of

any damage claims that may arise as a result. To be sure, the old order was collapsing. Blacks had begun to use unions to negotiate not just for economic benefits but also for political influence. When the government invoked its already great powers of repression to charge moderate blacks with treason — and to deliver them to a brutal police — the protest became palpably revolutionary.

Blacks began testing their capacity to damage the economy — once with a general strike, other times with local rent strikes and boycotts of white businesses. Simultaneously, radical black youths began murdering black officials and policemen whose duties implied collaboration with the white regime. These attacks, and the counterattacks of the police, claimed more than 500 lives, mostly black, in 10 months. They destroyed black administration in dozens of segregated towns, requiring the authorities to invade militarily to assure distribution of water and electricity.

The resort to martial law has now touched off the next South African debate: whether Mr. Botha went too far or not nearly far enough in his promises of reform. It is a pathetic question because no reform worthy of the name was ever promised, much less tried. Having abandoned apartheid's myth that all blacks were aliens, Mr. Botha substituted only an offer to consult docile blacks of his choosing one day in a "non-statutory forum." To the most moderate possible black leader, Chief Gatsa Buthelezi, this was "a lousy crumb from the white man's table." The message is stark: The First World blessings of democracy and prosperity depend most of all on the consent of the governed. A government disdaining that consent puts all else in jeopardy.

— THE NEW YORK TIMES.



## Washington and Pretoria: Helping Conflict Along

By Joseph Kraft

WASHINGTON — Lyndon Johnson used to tell a story about a small boy in Texas who spotted two trains heading down the same track from opposite directions. The lad lit out for home. A stranger stopped him and asked where he was running. The boy pointed to the distant train. "I see," the man said, "and you're running for help."

"No," the boy replied. "I'm running to get my brother. He's never seen a train wreck either."

That story drives home the slightly foolish role played by Washington in the latest act of the tragedy that is South Africa. A collision between blacks and whites is now wrecking that country. Overambitious efforts to help have left America in the position of confused bystander.

The stage for the latest act was set by the government of President P.W. Botha. It came to office professing a program for the hardest line in politics — reform from above. One feature was to protect the borders against forays from neighboring black states by elements of the African National Congress, which was said to be Communist-dominated. To that end the South African army, and native guerrillas it sponsored, made deep raids into Angola and Mozambique. At that point the Reagan administration stepped in with its policy of "constructive engagement."

Washington promoted accords between South Africa and Angola and Mozambique. In return for an end to the raids, the black African states were supposed to sever ties with the Soviet Union, Cuba and the ANC. But none of the parties could deliver on their promises. The raids from South Africa continued. A month ago, in an acknowledgment of failure, the United States withdrew its ambassador from Pretoria.

President Botha drove through a new constitution in 1983 establishing legislative assemblies that gave representation to the Asian and "colored" minorities. Last January the black majority was invited to participate in a "non-statutory forum." The purpose was to promote dialogue and even negotiation on racial conditions. As an added inducement, the government made a major change in the practice of apartheid. The legal requirement that blacks living in settled areas be transported to rural reservations was quietly abandoned. The huge black settlements near major white cities were, in effect, accepted.

As often happens with reform programs, the Botha program backfired. The success of the border raids convinced blacks in South Africa that they could not rely on neighboring black states. Almost overnight, religious, union and educational leaders came together in a new organization, the United Democratic Front.

The concessions extended to Asians and "coloreds" pandered blacks that they were dealing with a "divide and conquer" strategy. Leaders turned militant against any cooperation with the regime. Pressures against white rule not only included strikes, boycotts and demonstrations. There was also a sustained and often violent campaign against blacks thought to be cooperating with the regime as officials or informers.

With its authority challenged, the government cracked down. Leaders of the UDF were arrested and charged with treason. Violence in the black townships was suppressed by force. Still, the use of police power was selective, and the government continued to call for dialogue.

But leaders who were on trial for treason were not exactly in a mood

for dialogue. Even blacks who condemned the violence refused. Chief Gatsa Buthelezi, the Zulu leader, called the Botha offer "a lousy crumb from the white man's table."

Selective repression, moreover, could not keep violence from spreading. Soweto, the huge black township outside Johannesburg, had been relatively calm in the past two years. On July 17 the township suddenly erupted. A crowd of 1,000 black youths commanded seven buses and ordered the drivers to take them to the local courthouse. There followed a pitched battle between police and the demonstrators. Two days later Mr. Botha invoked emergency powers.

Nobody should doubt the government's capacity to repress trouble. It has the guns and an iron resolution to share political power. The only

hope for avoiding a bloodbath lies in a sharing of economic power, as advocated by Chief Buthelezi.

But there America re-enters the picture. For as "constructive engagement" collapsed and police repression waxed in South Africa, protests by blacks and liberals gathered force in America. In response to that pressure — and to embarrass the Soviet Union — both Houses of Congress have approved economic sanctions against South Africa. But sanctions can only harden the resolution of the regime, while weakening the economic power of the blacks, who need jobs and purchasing power to back up strikes and boycotts.

The sad fact is that the United States has only the most limited ability to influence events in South Africa. Overplaying that weak hand is buying a ticket to a catastrophe.

Los Angeles Times Syndicate

## A Continuing Tragedy of Too Little Too Late

WASHINGTON — The South African government is once again a day late and a concession short in its drive to forestall the inevitable. Conciliatory words that would have signaled a breakthrough a few years ago come across now as empty justification for armed repression.

The repression itself might have worked a few years ago to produce at least an uneasy calm. Now it serves only to radicalize the black population, threatening to turn what the government calls "riots" into full-fledged revolution.

The time-tested way of dealing with violent uprisings is to isolate the radical leadership while making serious concessions to the rank and file. South Africa is expert at isolating, but incompetent at making concessions. Again

and again, it makes concessions only after the thing conceded has ceased to hold even symbolic importance.

Negotiations, in fact, may be the way out of the turmoil and injustice in South Africa. The danger is that the government, once again being too clever for its own good, will try to negotiate with its own handicapped "trustees," rendering any agreement worse than useless. The government knows which black leaders have the confidence of the majority. If the whites really are ready for peaceful change (as opposed to buying time to retain their absolute power), they know how to do it. The fear is that they will, as has become their sorry custom, do too little too late.

— Syndicated columnist William Raspberry.

## Americans Send Mixed Signals From the Hill

WASHINGTON — Pressed by new growing turmoil in southern Africa and increasing outrage at home, the U.S. Congress has at last determined to try a more interventionist policy. Taken separately, its provisions — particularly on South Africa — are a courageous departure. Taken together, unfortunately, they send a dangerously mixed signal that is more likely to encourage conflict and repression than to bring about the reform that Congress seeks.

On July 11, in separate actions, the House and Senate voted in opposite directions. The House, determined to support anti-Communist resistance movements around the world, voted to repeal the Clark amendment, which prohibits military intervention in Angola, and to terminate all military and non-emergency economic aid to Mozambique unless that country kicks out its Soviet-bloc military advisers. The Senate followed up with a bill to impose economic sanctions on South Africa.

These steps can seem to put the United States on the side of justice, behind Africans fighting both Communist domination and racial oppression. But in Africa the reaction is likely to be closer to disbelief.

Consider Angola's reaction to the vote on the Clark amendment. Since 1976, when the amendment ended CIA involvement in the Angolan civil war, relations have moved steadily forward. The United States does not officially recognize Angola, but the Reagan administration has conducted extensive negotiations with Luanda over independence for Namibia and the departure of Cuban troops from Angola. American commercial interests in Angola, particularly in oil and banking, have expanded considerably. But their achievements, and larger U.S. goals, are now at risk. Just two days after the House vote, Angola angrily broke off talks on Namibia and Cuban troop withdrawal.

The amendment's repeal makes it harder than ever for the Angolans to send the Cubans home. It revives the threat of U.S. military involvement on the side of anti-government insurgents and thus encourages Luanda's

dependence on aid from the Soviet bloc. Instead of promoting America's role as an honest broker, the repeal confirms Angolan fears that Washington sides with South Africa.

Congressional action on Mozambique risks a similar reversal. Relations have improved since 1984, when President Samora Machel signed the Nkomati accord with South Africa. He has sought Western aid and technology, encouraged the local private sector and promoted trade with the West — a significant turnaround for a committed Marxist. But now the House seems to be telling him that all this is insufficient. Unless he sends home foreign military advisers, he will lose U.S. development aid.

How will these mixed signals play in Pretoria? It is there that they may do the most damage. South Africans will argue that the sanctions are just a ritual gesture to appease American protesters. Citing the vote against Angola and Mozambique, hard-liners will deny that the sanctions represent an enduring shift in U.S. policy.

Mixed signals from America will encourage South Africans to conclude that, if forced by events, America will choose apartheid rather than Communism for southern Africa.

South Africa's initial response to the sanctions is likely to be iron-fisted defiance of the kind it showed last week in declaring a state of emergency. Calmer reflections on the costs of resisting outside pressures may follow, but unless the contradictions in America's signals are resolved in conference, they can only dilute the effect of an unprecedented bipartisan stand against one of the world's most repressive oligarchies.

— Pauline H. Baker, a former staff member of the Senate Foreign Relations Committee, writing in The New York Times.

## The Charge Can Finally Be Dropped

By Stephen S. Rosefeld

WASHINGTON — The question of whether it was wise and necessary for the United States to use nuclear weapons against an enemy in wartime has always seemed to me cut and dried. Of course it was. The interesting question over the years has been whether, as some believe, the United States dropped the bombs on Hiroshima and Nagasaki to intimidate an ally in peacetime.

Did Washington mean to initiate "atomic diplomacy" and make the Soviet Union bow to postwar U.S. territorial and political designs? Did America take the leap into the atomic age, in the process killing great numbers of Japanese, primarily to impress Stalin and advance otherwise unworthy American interests?

On both sides those who have debated this question have understood what a terrible and indefensible thing that would have been. Among other results, it would have put upon the United States the principal blame for destroying the wartime anti-Hitler alliance and starting the Cold War.

For exactly this reason the Soviets, playing on the still considerable American feelings of guilt and confusion about the bombs continue to insist that the United States in 1945 did indeed practice "atomic diplomacy."

But there the other day in Geneva, George Arbatov and Andrei Gromyko's son Anatoli renewed the charge that the bombs had been dropped to impress the Kremlin.

I first came upon this accusation in 1965 upon publication of Gar Alperovitz's "Atomic Diplomacy: Hiroshima and Potsdam," a provocative revision of the generally benign and then generally accepted view of the decision to use the bomb. Mr. Alperovitz argued that the atomic bomb had determined much of Harry Truman's ostensible shift to a tough anti-Soviet policy in Europe.

In due time scholarly responses were prepared, using materials not available when Mr. Alperovitz was writing. This makes it possible, I believe, to support the simple, square, old-fashioned view that Truman dropped the bomb to win the war, and to support that view not simply on the basis of a distaste for the revisionist blame-America historians of the 1960s and 1970s but on the basis of the historical record.

There was, to be sure, a great flush of excitement when news of an impending bomb first spread. Daniel Yergin recalls Secretary of State James Byrnes saying privately that the first test in New Mexico "had given us great power." Winston Churchill was elated that "we now had something in our hands which would redress the balance with the Russians." Secretary of War Henry Stimson, detecting "a great change ... in my own psychology," thought America had the "master card" to a postwar settlement.

"Most of the Americans who knew about the bomb thought it could be put to work in diplomacy," Mr. Yergin writes in "Shattered Peace," "but did not know how." They never learned. Mr. Stimson brimmed with fuzzy thoughts about vast, newly conferred American influence in Asia as well as Europe. But the specific application he came up with was not to wield the bomb as a stick but to offer it to the Russians as a carrot. The Russians would not have it.

Averell Harriman, then America's ambassador to Moscow, says that at the crucial pre-Hiroshima Potsdam summit the bomb "never entered the discussions." Flying home from Potsdam, Charles Bohlen and Llewellyn Thompson, America's top Soviet hands, pondered its possible influence on U.S.-Soviet relations and found no way to bring it to bear.

Adam Ulam, the Harvard scholar, adds in "Dangerous Relations" that "no one has presented a single piece of evidence showing that the U.S. ever employed its then monopoly of nuclear weapons to wrest concessions from the U.S.S.R. And, even more to the point, no one has explained what it was that the American atomic blackmail allegedly prevented the Kremlin from doing."

Mr. Ulam offered a footnote to his book in a conversation the other day. The Soviets never brought up the charge that the United States had attempted to use its nuclear monopoly for coercive political purposes, he told me, until the American revisionist historians started writing about it. That is to say, the whole notion of "atomic diplomacy" arose in the first instance not from real Soviet apprehension and not even from Soviet propaganda but from the workings of America's free society.

The Washington Post

## LETTERS TO THE EDITOR

### The Nazi Record Is There

### Learning From Africans

Those who nodded when President Reagan, trying to defuse Bitburg, dismissed the Nazi movement as the work of "one man" should keep an eye on your "From Our Pages" series of news from 50 and 75 years ago.

The items from July 16 and 17 about anti-Jewish riots in Berlin in 1935 refute that naive interpretation. With humble honesty, could we not learn from the dismal record?

MARK SHAPIRO.  
Boulogne-Billancourt, France

### The Communists in Chile

Peter D. Bell's opinion column "Chile's Bullied Democrats Ought to Be Supported" (July 16) is patently Moscow-inspired propaganda. However distasteful one may find Augusto Pinochet's dictatorship, there should be no place in your prestigious newspaper for such absurdities as Mr. Bell's assertion of Chilean Communists' "long adherence to the rules of the Nazi record."

ANNE STANFORD.  
Palma de Mallorca, Spain

Letters intended for publication should be addressed "Letters to the Editor" and must contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

## FROM OUR JULY 25 PAGES, 75 AND 50 YEARS AGO

### 1910: A Signal of Trouble in Spain

LONDON — The Morning Post says: "The attempt made at Barcelona [on July 22] to assassinate the Catholic Maura, leader of the Conservative party and former Premier of Spain, supplies another grim indication that the state of the country is far from tranquil. Although the result of an organized conspiracy, it must be regarded as the product of the passions excited by the violent agitation being carried on by the Republican and Socialist parties." The Daily Graphic adds: "The political situation in Spain is exceedingly bad. In this state of things the apostles of anarchy find their opportunity. The anti-clerical policy of Premier Jose Canalejas has not improved the outlook for it has only encouraged the revolutionists."

— The Sunday Telegraph (London).

### Moderates Out in South Africa

Having embarked too timidly on the road to reform, President Botha succeeded only in radicalizing extremists. His policy is rejected

— The Sunday Telegraph (London).

# Charge Finally Dropped

hen S. Rosenfeld

INGTON — The question of whether it was wise for the United States to drop atomic bombs against an enemy that was always seemed to be on the side of the United States. The question over the decision to drop the bombs, as some believe, has dropped the bomb.

After the war, the United States

## Pentagon Project for Superfast Chips Is Revolutionizing the Computer Revolution

By William J. Broad

New York Times Service

QUIET breakthrough in the creation of ultrapowerful silicon chips is propelling the computer revolution into new realms.

Greater and greater speed of computation has always been a goal of computer scientists, but now they are starting to build chips that are so fast, the tiny devices can master complexities and irregularities of nature that previously eluded them.

For example, computer technology had been too slow to get a grip on radio waves; these speed-of-light signals would have to be translated almost instantaneously into the digital pulses that are the language of computation. Now, "superchips" are being produced that can do that and more, bringing the power and precision of the digital revolution to bear on what scientists call signal processing.

The Defense Science Board, which advises the U.S. Defense Department on matters of research, has hailed the development of these chips as the Pentagon's single most important program for creating new technology, surpass-

ing even the radar-evading "stealth" bomber or laser weapons.

The reason is that the chips promise to revolutionize the design of tanks, ships, planes, radios, radar, sonar, satellites, submarines, missiles — in fact, nearly everything that runs on electricity as well.

All along there have been two thrusts toward greater speed: the much-discussed supercomputer and the less-visible superchip. The appeal of the supercomputer has been its great flexibility. The chips, on the other hand, are extremely specific in their tasks. VHSCIC chips, being produced by Pentagon contractors in 36 varieties, are designed to do single jobs and do them exceedingly well.

Abetted by nearly \$1 billion in U.S. government funds, the computer chip is going from thousands of transistors on each tiny square of silicon — once an incredible capacity — to tens of millions of transistors.

"This country has adopted a military posture in which we try to counter the numerical superiority of our adversary with advanced technology," said E. D. Maynard Jr., director of the Pentagon's superchip program. "Given that posture, we have to stay at the forefront. That's what the program is all about."

The Pentagon's quest for super-

### IN BRIEF

#### Largest Known Space Entity Found

Scientists at Kitt Peak National Observatory at Tucson, Arizona, have spotted a supercluster of galaxies one billion light-years long, probably the largest known entity in space, according to Jack O. Burns, a University of New Mexico astronomer. A light-year is almost six trillion miles.

Scientists believe formation of such a cluster would require more gravitational force than previously attributed to all galaxies and stars known to humans, Dr. Burns said. "The universe must be dominated by some form of dark or unseen matter" that could be made of "the exotic particles predicted recently by high-energy physicists," he said.

In another study, physicists from the University of California at Berkeley, Princeton University and McMaster University in Ontario report that data collected aboard a balloon 24 miles above Earth provide the most convincing support to date of the "big-bang" theory that the universe began with the explosion of a superdense primordial atom.

The physicists found that relatively short wavelengths of cosmic background radiation closely fit the spectrum of light that would remain from such an explosion. Professor Paul Richards of Berkeley said, "Observing that light is the strongest single piece of evidence for the big bang. No one can figure out any other reason for that radiation being there."

Another recently reported astronomical finding is a superdense star that spins 100 times a second and gives off unusual irregular pulses of X-ray radiation. Found by a European Space Agency satellite, the star, called a QPO for quasi-periodic oscillations, was reported on in the British science journal *Nature* by Michiel van der Kooij of the space agency's Space Science Department in Noordwijk, the Netherlands. (AP, UPI)

#### Age for Depression's Onset Dropping

CAMBRIDGE, Massachusetts (NYT) — The age at which a person is most likely to experience a major depression for the first time has been dropping steadily over this century, according to a national study coordinated by researchers at Harvard Medical School.

The study found that while women born in the 1930s were most likely to experience a major depression at about the age of 50, the onset of depression for women born since 1950 is likely to be before age 30.

While women are more susceptible to depression than men, the difference between men and women in rates of depression seems to be diminishing, the study said. That difference was greatest for the older groups studied.

#### New Device Measures Plant Stress

RICHLAND, Washington (NYT) — Scientists at the Battelle Pacific Northwest Laboratories here believe they have come up with a device for detecting and measuring plant responses to environmental conditions.

Possible uses of the Ceres device, named after the Roman goddess of agriculture, include predicting irrigation schedules, evaluating the effectiveness of fertilizers, or determining the impact of pollutants. The device is based on the physiological principle that, as plants are stressed, tiny pores on their leaves, called stomates, open or close.

Opening or closing of the stomates causes a slight change in the diameter of the plant's stem as water is retained or expelled by the plant. This change is detected by the Ceres device, said Dr. Peter A. Beedlow, one of its inventors. He said researchers could document the response of sunflowers to vehicle exhaust within two minutes of exposure.

#### Proteins Clue to Viral Complications

SEATTLE (UPI) — Doctors have long been puzzled as to why certain viral diseases, such as measles, influenza and mononucleosis, and the viruses against those diseases can in rare cases lead to severe complications such as encephalitis and other diseases of the nerve tissue.

The best-known example occurred during 1976, when a U.S. vaccination campaign against swine flu was called off after a number of people developed a complication called Guillain-Barré syndrome. Now a team from the University of Washington medical school has found that the viruses contain proteins that are similar to some proteins making up the nerve-protecting myelin sheath.

When after infection or vaccination the immune system produces antibodies tailored to attack the virus proteins, they said, the antibodies may also attack the myelin sheath, causing the complications.

#### Ancient House Found in Jerusalem

YERUSALEM (UPI) — A leading Israeli archaeologist has unearthed remains that he terms the oldest house found so far in Jerusalem, dating back 2,000 years before the time of King David, who is thought to have died in about 962 B.C.

Yigal Shiloh, head of archaeology at Hebrew University, said he found the rectangular house in the side of the hill known as the City of David, believed to be the oldest part of Jerusalem, about 400 meters south of the Old City. The house was probably inhabited by Jebusites or Canaanites, Dr. Shiloh said.

He has excavated only the main room of the house and said he did not know how many rooms it had. He identified it as a house by the large number of utensils found in it.

#### Treating Cowlicks, 'Uncombed Hair'

CHICAGO (UPI) — Doctors from the Medical College of Ohio in Toledo say treatment with biotin, a B vitamin found in small amounts in most foods, can tame a rare childhood condition known as "uncombed hair" and could help people with cowlicks, or unruly tufts of hair.

In the Journal of the American Academy of Dermatology, Dr. Walter B. Shelley said uncombed hair, slow-growing and straw-colored, "stands out totally noncompliant with the wishes of any comb." He said cowlicks, which afflict about 3 percent of the population, might be a "localized" version of uncombed hair, which appears normal but under a microscope displays defects.

Dr. Shelley said he used biotin to treat a young boy with uncombed hair because it had been used to promote hair growth in bald babies with nutritional deficiencies. After four months, the boy's hair "became pliant and somewhat comable," Dr. Shelley said.

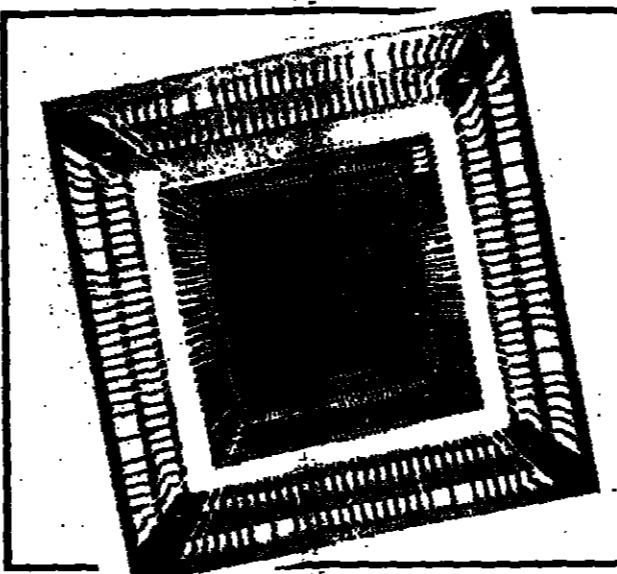
#### Rapid Particulate Counter Developed

LIVERMORE, California (UPI) — A new system that provides continuous information about the exhaust particles produced during combustion can help scientists design acceptable ways of generating electricity from coal, according to James Wang of Sandia National Laboratories here.

Dr. Wang said test results indicated the Sandia system could provide the first rapid, reliable information about the amount and size of particles inside a variety of combustion systems. The system could also provide information about combustion effluents or airborne particles, data critically needed in hospitals, microelectronics factories, foundries, gas turbines and hot gas cleanup equipment associated with most dirty fuel combustion systems.

The system, developed with funding from the U.S. Department of Energy, collects particle samples, sorts them according to size and determines the amounts of particulate matter in a given volume. It also cleans the particle collectors automatically for continuous operation.

## SCIENCE



One of the new Very High Speed Integrated Circuit chips.

chips is known as VHSCIC (pronounced VHS-ik), an acronym for Very High Speed Integrated Circuits. Although the Pentagon is pioneering the technology, aspects of it are starting to appear in civilian markets as well.

The chip breakthrough has been brought about by a surge in capabilities of materials scientists as they have learned to manipulate molecules and even atoms the way other technicians use units and bolts.

Abetted by nearly \$1 billion in U.S. government funds, the computer chip is going from thousands of transistors on each tiny square of silicon — once an incredible capacity — to tens of millions of transistors.

"This country has adopted a military posture in which we try to counter the numerical superiority of our adversary with advanced technology," said E. D. Maynard Jr., director of the Pentagon's superchip program. "Given that posture, we have to stay at the forefront. That's what the program is all about."

The Pentagon's quest for super-

chip breakthrough is getting wider," said Dr. Thomas A. Zimmerman, a VHSCIC scientist at TRW in California. "VHSCIC technology is supporting the natural evolution of all electronic systems to become more digital and less analog. The dividing line has naturally been moving toward digital, but VHSCIC is speeding that natural evolution."

In most cases, digital processing means huge increases in accuracy. Digital watches are more exact than analog ones. Pictures radiated to Earth from distant planetary probes can be processed digitally to remove static and produce stunning photographs of, say, Jupiter or Saturn.

The VHSCIC revolution is starting to allow the digital processing of such radio signals very quickly, almost in "real time," or as soon as they are received. Dr. Strull at Westinghouse said a typical VHSCIC goal was to be able to digitally process signals in radar receivers on aircraft, which operate at about 10,000 million hertz. "We can't process digitally at that speed yet," he said. "So we take the frequency, reduce it to a lower frequency, with losses all the way, until we can digest the data."

The high speeds of VHSCIC technology are opening new realms in the digital revolution, according to scientists and government officials. In the past, chips set their own agenda and pace. Now VHSCIC technology is accelerating the trend by which chips take on challenges and the extremely high speed of some phenomena in the real world.

At the heart of these developments is the ability to represent lightning-quick phenomena precisely, in digital form, rather than in imprecise waves, as in analog systems. Digital systems represent information in the form of pulses that are either on or off, but not in between, allowing for great precision. Analog systems represent information in the form of waves, such as a television signal or the grooves of a record. The waves and

the analogous signals they create in electrical systems can be imprecise and subject to interference.

"The digital domain is getting wider," said Dr. Thomas A. Zimmerman, a VHSCIC scientist at TRW in California. "VHSCIC technology is supporting the natural evolution of all electronic systems to become more digital and less analog. The dividing line has naturally been moving toward digital, but VHSCIC is speeding that natural evolution."

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Some specific VHSCIC projects include application to "smart" flying bombs, sonar buoys that detect enemy submarines, jamming pods for electronic warfare, radars, electronic packages for fighter aircraft, sonar-guided torpedoes, surface-to-air missiles, and tank weapon-control systems.

VHSCIC-type digital technology is starting to make inroads into civilian markets, promising a quiet revolution in all kinds of devices that process electromagnetic signals. For instance, digital chips will eventually be used in color television sets.

Scientists say television signals will continue to be broadcast in analog form, but digital television sets will quickly convert the incoming signal into digital form, opening up a wide range of possibilities.

Instant calculations could be made, for instance, to improve picture quality by removing "ghosts," the double images that plague reception, particularly in large cities. Pictures could be stored in comput-

er memories and frozen on the screen. Viewers could watch several channels at once or freeze a particular picture frame and zoom in for close-ups.

Not all observers are sanguine about the Pentagon's efforts to pioneer the development of high-speed chips. Congress' General Accounting Office recently charged that the VHSCIC program had fallen behind its goals.

Pentagon and industry officials disagree, contending that whatever delays have been encountered are normal for so ambitious an undertaking. "If nothing else was developed, the program had already been a success," said Dr. Strull.

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 TIME

# From this moment on...

Photo: S. Fukazawa

"Early on the morning of August 6, 1945, the *Enola Gay*, named for the pilot's mother, cut east to west across the rivers of Hiroshima, opened its hatches, and an atom bomb fell free. From that moment to this, nothing has ever been the same in the world."

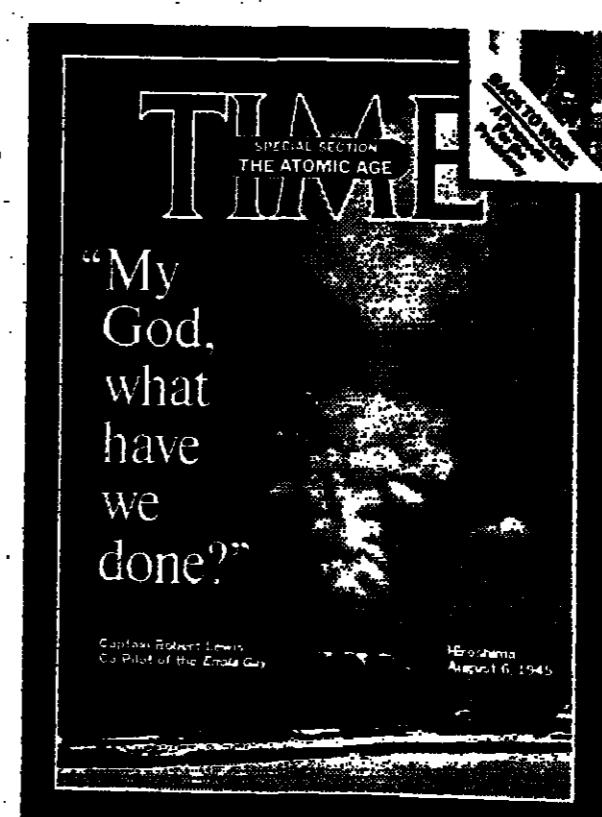
So begins the cover story in this week's TIME, Roger Rosenblatt's survey of the forty-year Age of the Atom—an age characterized not by a hero or an idea, but by a weapon and a threat.

The story offers four perspectives on that day's reality: as seen by a Hiroshima schoolboy; by a physicist who observed the mission; by former President Nixon, one of only eight Americans in history with the power to approve the use of nuclear

weapons; and by American writers, painters and film-makers whose works assimilate the monstrous possibilities of what surely may be called the age of anxiety.

These diverse views of the influence of the Bomb on peace, war, science, culture, the conduct of life and the survival of conscience, sometimes conflict and sometimes coincide. But as Rosenblatt points out, "Everybody lives in Hiroshima": it is a responsibility that will not go away. This extraordinary article explores the ways people cope with this self-imposed handicap, and even find ways to make it work for the common good.

This is the kind of journalism that attracts to TIME 32 million men and women readers around the world every week.



More goes into it.

## WALL STREET WATCH

## There May Be Some Life Left in the Old Bull Yet

By EDWARD ROHRBACH

International Herald Tribune

**P**ARIS—Is it any wonder that everybody on Wall Street is taking the pulse of the stock market? After all, it has almost never labored at this high an altitude before. And now, almost three years after its birth in August of 1982, the bull market is almost exactly at that stage in life when historically prices have started to go down.

But there is growing controversy now about just how old and infirm the bull market really is.

"One cannot escape raising the issue of whether a new market cycle began in the summer of 1984," said Leon Cooperman, chairman of the investment policy committee at Goldman Sachs.

His answer is a "weak no," but that reflects a shift from the firm's long-standing position that Wall Street is in the late stages of its advance from three summers ago.

Elaine Garzarelli, director of sector analysis for Shearson Lehman Brothers, has no doubt about her optimistic diagnosis: "This upturn in the stock market is not the second leg but a new bull market."

She views last July as a "bear market bottom" to the downturn that began a year earlier. It was a period when assorted Wall Street indices fell 14 to 32 percent. She notes that in the past 12 months the S&P 500, NYSE, Wilshire and NASDAQ composite are up about 30 percent with the lagging Dow, Value Line and Amex up about 25 percent.

"Although the S&P 500 is now 12 percent above its October 1983 peak, the Amex and NASDAQ are still about 7 to 10 percent below their June 1983 peaks," she pointed out. "The Dow is only 4 percent above its November 1983 peak."

The 1983-84 bear market was similar to the 1962 and 1966 bear markets, which were associated with economic slowdowns and not recessions," she said, adding that the gain in stock prices from the 1962 bottom was 75 percent before the next bear market and the comparable advance after the 1966 trough was 48 percent.

**R**OBERT Farrell, chief market analyst at Merrill Lynch, this week also pronounced that the market was "still in good shape."

But he thinks the vital signs may be tricky, because "the longer a trend persists without interruption, the greater the probability of some deterioration or the development of a top. Accordingly, the market's pattern of the past three summers—that is, a poor beginning followed by a decisive upturn in August—could be reversed in 1985."

Eugene Perotti, technical analyst at Bateman Eichler Hill Richards of Los Angeles, also likes the patient's health.

The incremental steps to new highs indicate good technical conditioning that should help to prevent a sharp decline over the short run," he said. "This gradual and consistent progress is somewhat in contrast to the market's behavior in the first quarter, but the psychological tone among investors is similar. This is a dull market that breeds doubt among many observers regardless of their sympathies toward either the bullish or bearish sides."

Nobody ever accused the stock market of having a heart, but if it did, it no doubt would be IBM. Byron Wien, head of U.S. portfolio strategy for Morgan Stanley, makes that point in noting that Big Blue's appetite is so voracious it adds sales every year the equivalent of a company the size of Digital Equipment. Yet IBM has been off its feet in 1985, and he observed, and "Some observers are using this disappointment to explain the confusing behavior of the whole stock market."

Even if IBM is currently feeling a little under its bellwether role, he recommends the stock: "What we are witnessing is the rocky shift from an earnings-driven stock market to one in which

(Continued on Page 15, Col. 2)

## Currency Rates

Cross Rates									
U.S. \$	£	DM	FF	FRF	DM	DM	SP	DM	DM
1.00	1.22	112.49	100.00	100.00	1.00	1.00	1.00	1.00	1.00
Swissfr.	1.22	112.25	100.00	100.00	1.00	1.00	1.00	1.00	1.00
Frenchfr.	2.22	112.25	100.00	100.00	1.00	1.00	1.00	1.00	1.00
London £	1.22	112.25	100.00	100.00	1.00	1.00	1.00	1.00	1.00
Asian Yen	1.00	1.22	112.25	100.00	100.00	1.00	1.00	1.00	1.00
U.S. Dollars	1.00	1.22	112.25	100.00	100.00	1.00	1.00	1.00	1.00
Paris	1.22	112.25	100.00	100.00	1.00	1.00	1.00	1.00	1.00
Tokyo	22.58	1.22	112.25	100.00	100.00	1.00	1.00	1.00	1.00
Paris	1.22	112.25	100.00	100.00	1.00	1.00	1.00	1.00	1.00
Tokyo	22.58	1.22	112.25	100.00	100.00	1.00	1.00	1.00	1.00
Paris	1.22	112.25	100.00	100.00	1.00	1.00	1.00	1.00	1.00
Tokyo	22.58	1.22	112.25	100.00	100.00	1.00	1.00	1.00	1.00
Paris	1.22	112.25	100.00	100.00	1.00	1.00	1.00	1.00	1.00
Tokyo	22.58	1.22	112.25	100.00	100.00	1.00	1.00	1.00	1.00
Paris	1.22	112.25	100.00	100.00	1.00	1.00	1.00	1.00	1.00
Tokyo	22.58	1.22	112.25	100.00	100.00	1.00	1.00	1.00	1.00
Paris	1.22	112.25	100.00	100.00	1.00	1.00	1.00	1.00	1.00
Tokyo	22.58	1.22	112.25	100.00	100.00	1.00	1.00	1.00	1.00
Paris	1.22	112.25	100.00	100.00	1.00	1.00	1.00	1.00	1.00
Tokyo	22.58	1.22	112.25	100.00	100.00	1.00	1.00	1.00	1.00
Paris	1.22	112.25	100.00	100.00	1.00	1.00	1.00	1.00	1.00
Tokyo	22.58	1.22	112.25	100.00	100.00	1.00	1.00	1.00	1.00
Paris	1.22	112.25	100.00	100.00	1.00	1.00	1.00	1.00	1.00
Tokyo	22.58	1.22	112.25	100.00	100.00	1.00	1.00	1.00	1.00
Paris	1.22	112.25	100.00	100.00	1.00	1.00	1.00	1.00	1.00
Tokyo	22.58	1.22	112.25	100.00	100.00	1.00	1.00	1.00	1.00
Paris	1.22	112.25	100.00	100.00	1.00	1.00	1.00	1.00	1.00
Tokyo	22.58	1.22	112.25	100.00	100.00	1.00	1.00	1.00	1.00
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Paris	1.22	112.25	100.00	100.00	1.00	1.00	1.00	1.00	1.00
Tokyo	22.58	1.22	112.25	100.00	100.00	1.00	1.00	1.00	1.00
Paris	1.22	112.25</td							

NYSE Most Actives									
Vol.	High	Low	Last	Chg.	Div.	Yld.	PE	\$100	Close
Philip's	2604	129	124	125	1	1.12	10.2	125	125
AT&T	2524	214	214	214	1	1.12	10.2	214	214
BankAm	1228	178	174	174	1	1.12	10.2	174	174
IBM	1222	197	195	195	1	1.12	10.2	195	195
Unicorp	1222	124	124	124	1	1.12	10.2	124	124
Am. Express	7971	456	442	442	1	1.12	10.2	442	442
Convair	7622	324	316	316	1	1.12	10.2	316	316
Deutsche	7622	184	184	184	1	1.12	10.2	184	184
Motor	6744	124	124	124	1	1.12	10.2	124	124
Ahasep	6664	454	454	454	1	1.12	10.2	454	454

Dow Jones Averages									
Not available at press time									

NYSE Index									
Not available at press time									

Wednesday's NYSE Closing									
Not available at press time									

NYSE Diaries									
Not available at press time									

Odd-Lot Trading in N.Y.									
Not available at press time									

## Dow Jones Bond Averages

Prev.	Close	Today	Yield
Bonds	70.72	70.62	7.14
Utilities	70.72	70.52	7.14
Industrials	70.72	70.52	7.14

Not available at press time

Today

Yield

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## BUSINESS ROUNDUP

**Daimler's Dornier Unit Says '84 Net Rose 22%**By Warren Geller  
*International Herald Tribune***MUNICH** — Dornier GmbH, West Germany's second largest aerospace group, reported Wednesday a 22-percent increase in net profit to 31.8 million Deutsche marks (\$11.2 million) in 1984 from 26 million DM a year earlier.

Manfred Fischer, chief executive at Dornier, noted, however, that 1984 net income was distorted by extraordinary gains, including the release of provisions for risks that did not materialize.

Operating profit was up "slightly" to 46 million DM last year from 43 million DM in 1983.

Mr. Fischer declined to predict

1985 profits at Dornier, which earlier this year was acquired by Daimler-Benz AG, the West German automaker. He said, however, he estimated that group revenue would climb to 2 billion DM from 1.5 billion DM in 1984, led by brisk sales in space technology and electro-medical equipment.

The government now owns 35.7 percent of JAL and the airline is partially managed by the government.

The study is part of a broad

review of deregulation in the aviation industry following a U.S.-Japan agreement on April 30, which ended JAL's monopoly of Japan's international air freight services and allowed the Japanese freight line, Nippon Cargo Airlines, to provide trans-Pacific services.

The agreement also provides for more passenger services between Japan and Micronesia and across the Pacific, and suggests that Japan's two domestic airlines, All Nippon Airways Ltd. and Toko Domestic Airlines Ltd., be allowed to start international services. Industry sources said.

The Transport Ministry said it would also study whether to open international routes to the domestic airlines, as proposed in the U.S.-Japan agreement, and whether to allow more competition on domestic routes.

IBM Wins Approval For Plant in Mexico

**TOKYO** — The Transport Ministry will study whether to make Japan Airlines Ltd. a fully private company, a ministry of state said Wednesday.

The government now owns 35.7 percent of JAL and the airline is partially managed by the government.

The study is part of a broad

review of deregulation in the aviation industry following a U.S.-Japan agreement on April 30, which ended JAL's monopoly of Japan's international air freight services and allowed the Japanese freight line, Nippon Cargo Airlines, to provide trans-Pacific services.

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The Transport Ministry said it would also study whether to open international routes to the domestic airlines, as proposed in the U.S.-Japan agreement, and whether to allow more competition on domestic routes.

IBM Wins Approval For Plant in Mexico

**U.K. Shipbuilders Reports Decline in Annual Revenues**

Reuters

**LONDON** — British Shipbuilders reported Wednesday that its revenues fell 2.4 percent to \$865.9 million (about \$1.2 billion) from \$896.8 million in the year ended March 1.

A spokesman for the state-owned company said losses for the year, including \$27.56 million in extraordinary items, fell to £106.8 million from £232 million the year before. He said trading losses declined to £2.2 million from £160.9 million.

Graham Day, the chairman, said the company's financial performance should continue to improve despite current depressed ship prices and despite a lack of significant improvement in world demand for new merchant ships.

Mr. Day said that despite progress in many areas, British Shipbuilders would continue to operate in difficult circumstances. "In a market where Far East shipbuilders persist in selling and financing sales on terms which do not cover costs, let alone provide profit, European shipbuilders, their employees and governments inevitably pay the price," he said.

"Unless more responsible policies are adopted in South Korea and Japan it is difficult to see how any European shipyard can maintain its capacity," he added.

**French Bank Cuts Base Rate**

Reuters

**PARIS** — Crédit Commercial de France has cut its base rate by 0.4 percentage points to 10.85 percent, effective immediately, a spokeswoman said Wednesday.**COMPANY NOTES****Alecan Aluminum Ltd.** production workers at the Kitimat, British Columbia, smelter complex have voted to accept a three-year contract. The Canadian Association of Smelter and Allied Workers said the contract provided 2-percent raises in the second and third years.**Asia Terminal Ltd.** has canceled its contract for 1 million Hong Kong dollars (\$130 million) with Far East Consortium Ltd. to build a container terminal in Hong Kong because of the alleged failure of Far East to "proceed regularly and diligently with work under the contract."**Brooks Satellite Inc.** has agreed in principle to acquire Intercontinental Products Corp., a distributor of satellite Earth stations, for about one million shares. It said Intercontinental would have a 30-percent interest in Brooks after the acquisition.**Burmah Oil PLC** is acquiring Lead Petroleum Corp. of Denver from Atlantic Oil Corp. and other interests for a total of about \$26 billion in the next five years. Lead

Petroleum has interests in U.S. onshore exploration acreage.

**G.J. Coles & Co. of Australia** has entered into a share-placement agreement with K mart Holdings Pty. to raise part of the cash required to finance its takeover of Myer Emporium Ltd. K mart will take up an as yet undetermined number of ordinary shares in Coles at 3.55 Australian dollars (each \$0.33).**Federal Mogul Corp.**'s board had authorized the repurchase of up to 1 million shares of the company's common stock. The company currently has 13.5 million shares outstanding.**House of Fraser PLC** has raised its stake in Debenhams PLC to 21.23 million ordinary shares, or 12.61 percent. Debenhams is the subject of a contested takeover bid from Burton Group PLC.**Industrial Equity Pacific Ltd.** a Hong Kong investment firm, reported that it had bought 24,800 Esquire Radio & Electronics Inc. common shares, or 5.1 percent of the total outstanding. It said it had acquired the stock for investment

purposes and may buy additional shares.

**Japan Air Lines** has signed letters of intent with Boeing Co. for the purchase of four new 747 jumbo jetliners for \$418 million.**Minibon Co.**, a precision ball-bearings manufacturer, has purchased Miami Lakes Operation, a division of Harris Corp., and a leading U.S. maker of switching regulators for computers, for about 3 billion yen (\$12.5 million).**Société de la Vieille Montagne SA**, the Belgian zinc smelter, has taken over Asmatiennne-France for 1.08 billion francs and Francaise Assomatiale de Participations for 156.8 million, industrial subsidiary of Vieille Montagne already owned a stake.**Toshiba Corp.** and Mitsubishi Corp. will cooperate in building the first color-picture-tube manufacturing plant in India. They have received an order of 6 million yen (\$25 million) from UP Electronics Corp. for collaboration in building the facility near New Delhi.

Japan Air Lines has signed letters of intent with Boeing Co. for the purchase of four new 747 jumbo jetliners for \$418 million.

The facility has a life of five years and will provide for the issuance of three and six-month CDs, which will bear rate minus 1/4 percent.

The CD will be priced on a discount-to-yield basis.

A tender panel of banks will bid competitively for the CDs, Chemical added.

Toshiba Corp. and Mitsubishi Corp. will cooperate in building the first color-picture-tube manufacturing plant in India. They have received an order of 6 million yen (\$25 million) from UP Electronics Corp. for collaboration in building the facility near New Delhi.

**Bull Results Show Return to Balance In First Half of '85**

Reuters

**PARIS** — Compagnie des Mâchines Bull, the French government-owned computer group, returned to balance in the first half after a consolidated net group loss of 258 million francs (about \$30 million) in the first half of 1984, the company said Wednesday.**Sales** rose by 23 percent to 7.4 billion francs from 6 billion a year earlier, but this rise partly reflected the restructuring of the group's commercial network in the first half of last year.**Group sales** for 1985 are expected to rise by around 17 percent from the 1984 level of 13.6 billion francs, an increase in line with last year's 16.8-percent rise.**Bull** said forecasts for activity in the second half indicated that the group would probably return to financial balance in 1985. It reported a consolidated net loss of 489 million yen (\$12.5 million) last year.

The issue will have a put option after five years at a price that will

**Limited Inc.**, a specialty women's clothing and lingerie retailer with more than 2,000 stores in the United States, is issuing a \$30-million convertible Eurobond with an indicated coupon of 6% to 6 1/4 percent, the lead manager, Swiss Bank Corp. International, said.

The issue will be paid off at 100% on July 29, 1995 at \$1.03 a share, down from \$1.45.

Revenues were \$3.8 billion in both periods.

**CURRENCY MARKETS****Dollar Rises in Europe on Quiet Day**

Reuters

**LONDON** — The dollar ended Wednesday generally higher in Europe, reaching the day's high against major currencies in London. Some dealers cited short-covering.

Dealers said the pound was very resilient to the dollar's afternoon rise and only fell below \$1.40 when the U.S. currency broke above 2.88 DM in London.

News from the current meeting of the Organization of Petroleum Exporting Countries was insufficient during the day to allow the dollar to overshadow by high British interest rates.

A dealer for a U.S. bank said that Wednesday's buying was mostly technical. He said there was a gap on charts up to 2.8950 DM.

He said he believed that traders were attempting to push the dollar

to this level before taking profits.

The dollar's firmer performance came despite a lower federal funds rate earlier in the day of 7.91/16 percent, compared with Tuesday's average 7.83 percent. Federal funds are overnight loans among U.S. commercial banks.

No U.S. major economic data is due until next Tuesday's U.S. merchandise trade figures for June.

After banks wound down in London, U.S. operators took swift profits on the U.S. currency, taking it off its highs to below 2.88 DM again.

The lire continued weak, slipping to 1,927 to the dollar at the close from its opening at 1,917 and to the close yesterday at 1,923.

In Tokyo, the dollar was little changed against the yen, closing at 238 yen, compared with 239 yesterday.

**THE EUROMARKETS****Eurobond Market Is Firmer**

Reuters

**LONDON** — The Eurobond market ended a shade firmer where straight issues were below the levels seen Wednesday morning.

At the close, dollar straight issues were unchanged to 1/4 point higher, having slipped a little from opening higher levels following the lower short on the U.S. credit market, dealers said. But they said the market here was kept underpinned by a relatively low Federal Reserve Board funds rate of 7 1/4 percent.

Wednesday's major development:

**Mitsubishi Bank Ltd.**'s London branch is arranging a 50-million-Eurobond currency-unit certificate of deposit issuance facility, the first of its kind, according to the lead manager, Chemical Bank International Ltd.**The facility** has a life of five years and will provide for the issuance of three and six-month CDs, which will bear rate minus 1/4 percent.**The CDs** will be priced on a discount-to-yield basis.**A tender panel** of banks will bid competitively for the CDs, Chemical added.**Limited Inc.**, a specialty women's clothing and lingerie retailer with more than 2,000 stores in the United States, is issuing a \$30-million convertible Eurobond with an indicated coupon of 6% to 6 1/4 percent, the lead manager, Swiss Bank Corp. International, said.**The issue** will have a put option after five years at a price that will

give a yield of around 9% percent.

The conversion price will be fixed to give a premium of 20 to 24 percent over the company's share price at the close of Wall Street trading on July 30.

The bond is callable if the company's share price exceeds the conversion price by more than 130 percent.

It would be called at 106 percent before 1990, declining by 1 percent per year thereafter to par.

The expected payment date is Aug. 14 while the final maturity is Aug. 15, 2000. The issue is available in denominations of \$1,000 and \$10,000 and will be listed in Luxembourg.

\*\*\*

H.J. Heinz Co.

is issuing a 37.5-million-Australian-dollar, 12-month Eurobond due Aug. 28, 1990, and priced at 100%, bookrunner, Orion Royal Bank Ltd. said. The issue is non-callable.

Fees total 2 percent, with a 1/4 percent selling concession and 1/4 percent for combined management and underwriting fees.

United Press International

HOUSTON — Tenneco Inc. on Wednesday reported its second-quarter earnings declined 25.4 percent to \$164 million from \$220 million in 1984. The per-share earnings were \$1.03 a share, down from \$1.45.

Revenues were \$3.8 billion in both periods.

AMSTERDAM DEPOSITORY COMPANY N.V.

Amsterdam, July 15, 1985.

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## ADVERTISEMENT

MITSUI ENGINEERING &amp; SHIPBUILDING CO., LTD. (CDRs)

The undersigned announces that as from July 30, 1985 at Kas-Associate N.V. Spuistraat 172, Amsterdam, div. cpo. no. 20 (accompanied by an "Affidavit" of the CDRs Block Company Ltd.) will be payable with Dfls. 2.64 per CDR, resp. 100 shs. and with Dfls. 54.70 per CDR, resp. 1,000 shs. After 31.10.1985 the div. will be paid with Dfls. 2.64 per CDR, resp. 100 shs. and with Dfls. 54.70 per CDR, resp. 1,000 shs. After 31.10.1985 the div. will be paid with Dfls. 5.75 per CDR, resp. 1,000 shs. and with Dfls. 5.75 per CDR, resp. 1,000 shs. Without an Affidavit 20% imp. tax = Yen 100. — Dfls. 1.35 per CDR, resp. 100 shs. Yen 1,000. — Dfls. 13.50 per CDR, resp. 1,000 shs. will be deducted.

After 31.10.1985 the div. will only be paid under deduction of 20% imp. tax resp. Dfls. 27.16, resp. 51.30 per CDR, resp. resp. 100 shs. and 1,000 shs. each in accordance with the Japanese tax regulations.

AMSTERDAM DEPOSITORY COMPANY N.V. Amsterdam, July 16, 1985.

## ADVERTISEMENT

RICOH COMPANY, LTD. (CDRs)

The undersigned announces that as from July 25, 1985 at Kas-Associate N.V. Spuistraat 172, Amsterdam, div. cpo. no. 25 (accompanied by an "Affidavit" of the CDRs Block Company Ltd.) will be payable with Dfls. 22.36 per CDR, resp. 500 shs. and with Dfls. 57.72 per CDR, resp. 1,000 shs. After 31.10.1985 the div. will be paid with Dfls. 22.36 per CDR, resp. 500 shs. and with Dfls. 57.72 per CDR, resp. 1,000 shs. After 31.10.1985 the div. will be paid with Dfls. 5.75 per CDR, resp. 1,000 shs. and with Dfls. 5.75 per CDR, resp. 1,000 shs. Without an Affidavit 20% imp. tax = Yen 500. — Dfls. 5.75 per CDR, resp. 500 shs. will be deducted.

After 31.10.1985 the div. will only be paid under deduction of 20% imp. tax resp. Dfls. 5.75, resp. 51.30 per CDR, resp. resp. 100 shs. and 1,000 shs. each in accordance with the Japanese tax regulations.

AMSTERDAM DEPOSITORY COMPANY N.V. Amsterdam, July 16, 1985.

## ADVERTISEMENT

ASAHI OPTICAL CO., LTD. (CDRs)

The undersigned announces that as from July 25, 1985 at Kas-Associate N.V. Spuistraat 172, Amsterdam, div. cpo. no. 25 (accompanied by an "Affidavit" of the CDRs Block Company Ltd.) will be payable with Dfls. 22.36 per CDR, resp. 500 shs. and with Dfls. 57.72 per CDR, resp. 1,000 shs. After 31.10.1985 the div. will be paid with Dfls. 22.36 per CDR, resp. 500 shs. and with Dfls. 57.72 per CDR, resp. 1,000 shs. After 31.10.1985 the div. will be paid with Dfls. 5.75 per CDR, resp. 1,000 shs. and with Dfls. 5.75 per CDR, resp. 1,000 shs. Without an Affidavit 20% imp. tax = Yen 500. — Dfls. 5.75 per CDR, resp. 500 shs. will be deducted.

After 31.10.1985 the div. will only be paid under deduction of 20% imp. tax resp. Dfls. 5.75, resp. 51.30 per CDR, resp. resp. 100 shs. and 1,000 shs. each in accordance with the Japanese tax regulations.

AMSTERDAM DEPOSITORY COMPANY N.V. Amsterdam, July 16, 1985.

## ADVERTISEMENT

HITACHI LTD. (CDRs)

The undersigned announces that as from July 25, 1985 at Kas-Associate N.V. Spuistraat 172, Amsterdam, div. cpo. no. 25 (accompanied by an "Affidavit" of the CDRs Block Company Ltd.) will be payable with Dfls. 22.36 per CDR, resp. 500 shs. and with Dfls. 57.72 per CDR, resp. 1,000 shs. After 31.10.1985 the div. will be paid with Dfls. 22.36 per CDR, resp. 500 shs. and with Dfls. 57.72 per CDR, resp. 1,000 shs. After 31.10.1985 the div. will be paid with Dfls. 5.75 per CDR, resp. 1,000 shs. and with Dfls. 5.75 per CDR, resp. 1,000 shs. Without an Affidavit 20% imp. tax = Yen 500. — Dfls. 5.75 per CDR, resp. 500 shs. will be deducted.

After 31.10.1985 the div. will only be paid under deduction of 20% imp. tax resp. Dfls. 5.75, resp. 51.30 per CDR, resp. resp. 100 shs. and 1,000 shs. each in accordance with the Japanese tax regulations.

AMSTERDAM DEPOSITORY COMPANY N.V. Amsterdam, July 16, 1985.

## U.S. Futures

July 24

Season	Season	High	Low	Open	High	Low	Close	Chg.	Chg.
7-20	7-21	42.75	42.25	42.00	42.00	41.85	41.85	-1.00	-1.00
7-21	7-22	42.00	41.85	41.85	41.85	41.75	41.75	-0.25	-0.25
7-22	7-23	41.75	41.75	41.75	41.75	41.75	41.75	-0.25	-0.25
7-23	7-24	41.75	41.75	41.75	41.75	41.75	41.75	-0.25	-0.25
7-24	7-25	41.75	41.75	41.75	41.75	41.75	41.75	-0.25	-0.25
7-25	7-26	41.75	41.75	41.75	41.75	41.75	41.75	-0.25	-0.25
7-26	7-27	41.75	41.75	41.75	41.75	41.75	41.75	-0.25	-0.25
7-27	7-28	41.75	41.75	41.75	41.75	41.75	41.75	-0.25	-0.25
7-28	7-29	41.75	41.75	41.75	41.75	41.75	41.75	-0.25	-0.25
7-29	7-30	41.75	41.75	41.75	41.75	41.75	41.75	-0.25	-0.25
7-30	7-31	41.75	41.75	41.75	41.75	41.75	41.75	-0.25	-0.25
7-31	7-32	41.75	41.75	41.75	41.75	41.75	41.75	-0.25	-0.25
7-32	7-33	41.75	41.75	41.75	41.75	41.75	41.75	-0.25	-0.25
7-33	7-34	41.75	41.75	41.75	41.75	41.75	41.75	-0.25	-0.25
7-34	7-35	41.75	41.75	41.75	41.75	41.75	41.75	-0.25	-0.25
7-35	7-36	41.75	41.75	41.75	41.75	41.75	41.75	-0.25	-0.25
7-36	7-37	41.75	41.75	41.75	41.75	41.75	41.75	-0.25	-0.25
7-37	7-38	41.75	41.75	41.75	41.75	41.75	41.75	-0.25	-0.25
7-38	7-39	41.75	41.75	41.75	41.75	41.75	41.75	-0.25	-0.25
7-39	7-40	41.75	41.75	41.75	41.75	41.75	41.75	-0.25	-0.25
7-40	7-41	41.75	41.75	41.75	41.75	41.75	41.75	-0.25	-0.25
7-41	7-42	41.75	41.75	41.75	41.75	41.75	41.75	-0.25	-0.25
7-42	7-43	41.75	41.75	41.75	41.75	41.75	41.75	-0.25	-0.25
7-43	7-44	41.75	41.75	41.75	41.75	41.75	41.75	-0.25	-0.25
7-44	7-45	41.75	41.75	41.75	41.75	41.75	41.75	-0.25	-0.25
7-45	7-46	41.75	41.75	41.75	41.75	41.75	41.75	-0.25	-0.25
7-46	7-47	41.75	41.75	41.75	41.75	41.75	41.75	-0.25	-0.25
7-47	7-48	41.75	41.75	41.75	41.75	41.75	41.75	-0.25	-0.25
7-48	7-49	41.75	41.75	41.75	41.75	41.75	41.75	-0.25	-0.25
7-49	7-50	41.75	41.75	41.75	41.75	41.75	41.75	-0.25	-0.25
7-50	7-51	41.75	41.75	41.75	41.75	41.75	41.75	-0.25	-0.25
7-51	7-52	41.75	41.75	41.75	41.75	41.75	41.75	-0.25	-0.25
7-52	7-53	41.75	41.75	41.75	41.75	41.75	41.75	-0.25	-0.25
7-53	7-54	41.75	41.75	41.75	41.75	41.75	41.75	-0.25	-0.25
7-54	7-55	41.75	41.75	41.75	41.75	41.75	41.75	-0.25	-0.25
7-55	7-56	41.75	41.75	41.75	41.75	41.75	41.75	-0.25	-0.25
7-56	7-57	41.75	41.75	41.75	41.75	41.75	41.75	-0.25	-0.25
7-57	7-58	41.75	41.75	41.75	41.75	41.75	41.75	-0.25	-0.25
7-58	7-59	41.75	41.75	41.75	41.75	41.75	41.75	-0.25	-0.25
7-59	7-60	41.75	41.75	41.75	41.75	41.75	41.75	-0.25	-0.25
7-60	7-61	41.75	41.75	41.75	41.75	41.75	41.75	-0.25	-0.25
7-61	7-62	41.75	41.75	41.75	41.75	41.75	41.75	-0.25	-0.25
7-62	7-63	41.75	41.75	41.75	41.75	41.75	41.75	-0.25	-0.25
7-63	7-64	41.75	41.75	41.75	41.75	41.75	41.75	-0.25	-0.25
7-64	7-65	41.75	41.75	41.75	41.75	41.75	41.75	-0.25	-0.25
7-65	7-66	41.75	41.75	41.75	41.75	41.75	41.75	-0.25	-0.25
7-66	7-67	41.75	41.75	41.75	41.75	41.75	41.75	-0.25	-0.25
7-67	7-68	41.75	41.75	41.75	41.75	41.75	41.75	-0.25	-0.25
7-68	7-69	41.75	41.75	41.75	41.75	41.75	41.75	-0.25	-0.25
7-69	7-70	41.75	41.75	41.75					

## U.S. Car Sales Fell by 7.3% In Mid-July

United Press International

DETROIT — U.S. automakers reported Wednesday that sales dropped 7.3 percent in mid-July as Ford Motor Co. and Chrysler Corp. increased their share of the market at the expense of General Motors Corp.

The seven companies, GM, Ford, Chrysler, American Motors Corp., Honda Motor Corp., Volkswagen of America and Nissan Motor Manufacturing U.S.A. reported combined sales of 216,727 cars in the United States during the period, compared with 233,826 units in the comparable period of 1984.

The daily selling rate of 24,080 cars compares with 25,981 in last year's period.

The annual rate for the industry during the period was 8.1 million cars, compared with 8.8 million last year. So far in 1985, the companies have sold 4.7 million cars, up 0.9 percent from 4.6 million units in the comparable 1984 period.

There were nine selling days in both periods.

The industry reported these figures for the 1985 period, compared with 1984: GM, 120,124 vs. 139,587, down 13.9 percent on a daily rate basis; Ford, 56,716 vs. 53,219, up 6.0 percent; Chrysler, 29,749 vs. 28,791, up 3.3 percent, excluding minivans.

Among the smaller companies, AMC reported 3,730 vs. 7,280, down 48.3 percent; Honda (U.S.-built models only), 3,603 vs. 2,733, up 31.7 percent; Volkswagen of America (U.S.-built), 1,816 vs. 2,216, down 18.0 percent, and Nissan, 989 vs. 0 last year. Totals, 216,727 vs. 233,826, off 7.3 percent.

Nissan began production of its Sentra passenger car in Smyrna, Tennessee, in late March.

GM's market share dropped to 55.4 percent from 59.7 percent a year ago, while Ford's rose to 26.2 percent from 22.8 percent and Chrysler's rose to 13.7 percent from 13.3 percent.

"The Daily Source for International Investments"

(Continued from Page 9)

took a back seat because it was too expensive to borrow money, and no money was available for long-term investments.

When inflation reached 25 to 30 percent a month, long-term funds disappeared and all loans were set up to be repaid within seven days.

"There was a total decapitalization," Mr. Pifiero said. "You can't grow if you can't invest money."

With the company's borrowing costs reaching about 15 percent a month in real terms, he said, borrowing was out of the question.

"Everyone caught on to the inflation strategies, and no one could win because no one was ready to lose," Mr. Pifiero said. "It became crazy and unmanageable. It was clear to everyone that if we didn't stop inflation, we ran the risk of bankrupting the country's private sector."

Now, Mr. Pifiero said, his sales force will have to be attentive to consumers' purchasing cycles and shoppers' ability to compare quality as well as price.

The austerity program immediately eased tensions for the four money managers at Alejandro Llano & Sons. With inflation run-

ning at more than 1,000 percent a year, the men were fully occupied with the task of making sure all of the company's money was invested in products or earning interest. Money lying about lost value at the rate of about 1 percent a day, he said.

"We feel enormously more at ease now," Mr. Pifiero said. If the program is a success, four money managers will be unnecessary, along with the difficult task of keeping books on nearly daily movement of funds, he said.

A long-term effect of the austerity plan, Mr. Pifiero said, is that his company's production costs will matter again. The most efficient suppliers will be the winners, and a lower inflation rate will make capital projects a possibility.

Just after Mr. Alfonsin's package was announced, the cost of long-term funds fell to 7 percent a month, from 25 percent. If the program works, the cost could drop to 2 or 3 percent a month.

There are serious concerns about the program, he said. "It's possible that some businesses are going to fail and be left on the side, and it's only natural," he said. "I just hope it isn't us."

## Taking the Pulse of the Aging Bull Market

(Continued from Page 9)

warned Terry C. Webb, manager of U.S. investments at Foreign & Colonial Management Ltd. in London, a \$1.35-billion closed-end fund, begun in 1869, that is recognized as the world's oldest investment trust group.

He sees evidence of this in the emphasis being placed on "sectors that have already done well," such as regional banks and specialty retailers, where he thinks price-earnings ratios are becoming high.

Mr. Webb does not think interest rates will go down further and views Wall Street prices now as already reflecting recent rate declines. "As things stand, no further rise on Wall Street is justified," he said.

What happens, he noted, is that as industrial production gets sick, the Federal Reserve cases and interest rates drop, reviving the stock market. "Don't let a sour outlook for profits derail you from this bull market," he asserted.

That is also the view of Suresh Bhairav, chief portfolio strategist at First Boston. If Wall Street takes "a breather" anytime soon, he advises investors to become "aggressive buyers."

But is anything currently ailing Wall Street?

"Euphoria is absent, but there is a good deal of complacency,"

This make stock selection parameter, he said.

Stocks he said the fund owns and probably will add to if the market "gets cheaper," as he expects in the coming months, are HybriNet, Los Angeles Development, MTV Networks, Princeville Development, Telcom and Xerox.

## Goodyear Profit Fell By 20% in 2d Quarter

The Associated Press

AKRON, Ohio — Goodyear Tire & Rubber Co. said Wednesday that second-quarter sales declined 2.2 percent, resulting in a 20-percent drop in net earnings, to \$86.7 million.

For the second quarter, earnings were \$86.7 million, or 81 cents per share, on sales of \$2.59 billion, compared with earnings of \$1.06 million, \$1.02 per share, on sales of \$2.65 billion.

Typical of stock markets that are "late in the cycle," he added, "there is no general theme, no trend" to follow currently on Wall Street.

Wednesday's OTC Prices

NASDAQ prices as of 3 p.m. New York time. Via The Associated Press

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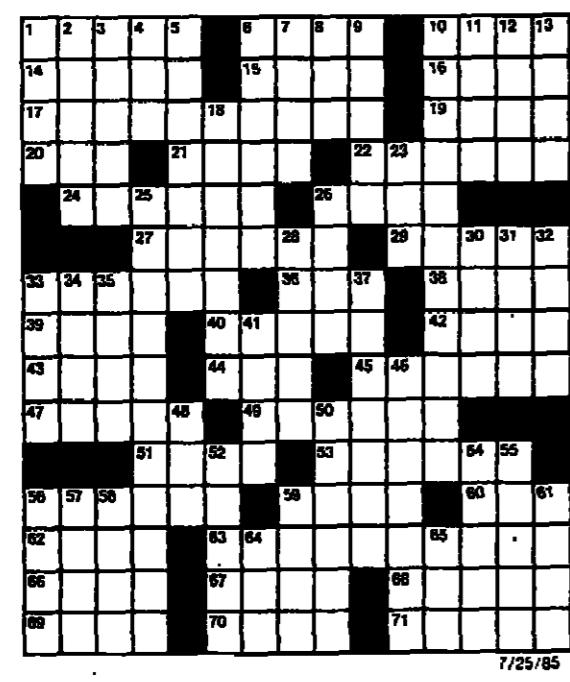
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## ACROSS

1 Designate  
2 Actor Walter  
10 K ratings  
14 Site of ancient  
Greek games  
15 Indonesian  
outrigger  
16 Stevenson  
villain  
17 Dwarf  
chestnuts  
18 Well-informed  
about  
20 "A peculiar  
sort of a gal"  
21 Fe or Ag  
22 Guide  
24 Make new  
money  
26 Former  
Japanese  
naval base  
27 Grindiron get-  
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29 Wreck, ruin  
33 Sioux  
34 Participle  
former  
38 City on the  
Humboldt  
39 Rock guitarist  
Clapton  
40 Welty's  
"Wedding"  
42 Legatee  
43 Swindle  
44 A goal of NOW  
45 Like Mercury  
47 The Tempter

48 Column  
molding  
51 Nip  
53 Purposeless  
56 Mrs. Stanley  
Kawasaki  
59 Pulsation  
60 A legume  
62 "A fragment  
blister  
63 Blackcap  
64 Guiness or  
Templeton  
67 North Sea-  
Baltic canal  
68 Pub game  
69 Taylor's "A  
— at  
Oxford"  
70 Withered  
71 Corpulent

DOWN

1 Extras in an  
env.  
2 Hungarian  
composer  
3 Zola or  
Berliner  
4 A.D. I-A.D.  
100, e.g.  
5 Bridge bid  
6 Annex  
7 Upper edge  
8 Lengthy period  
9 Beam thrower  
10 Dolt or  
rockfish  
11 Photo's  
fixing agent.  
12 Redolence

13 Moved out  
18 Surveyor's  
instrument  
23 U-boat  
25 Crowded  
26 Marquee  
28 Fragment  
blister  
31 Sideslip  
32 White's  
opponent  
33 Five-time  
Presidential  
candidate  
34 "The Willow  
Song," e.g.  
35 Wear in the  
Highlands  
37 What a certain  
guzzler  
empties fast  
41 Old tongue  
46 Fla. game fish  
48 Noting  
50 Pythons's  
revelation  
52 Easies  
54 citado  
55 — put  
(remain)  
57 Indian weight  
58 A Cotton Belt  
grape  
59 Breakwater  
61 South African  
fox  
64 Haste  
65 Peck or pat

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## DENNIS THE MENACE

"DENNIS HAS NEVER  
HAD ETIQUETTE.""NO, BUT I HAD  
THE MEASLES!"

## JUMBLE

THAT SCRAMBLED WORD GAME  
by Henri Arnold and Bob Lee

## CHENE

A 10x10 word puzzle grid with a 4x4 shaded area in the center.

## LIDEY

A 10x10 word puzzle grid with a 4x4 shaded area in the center.

## DRIPUT

A 10x10 word puzzle grid with a 4x4 shaded area in the center.

## MELFYS

A 10x10 word puzzle grid with a 4x4 shaded area in the center.

Answer:  TO 

(Answers tomorrow)

Yesterday's Jumble: KETCH SWISH DEBTOR IRONIC

Answer: What the fisherman turned TV executive knew how to make—THE "NET" WORK

WEATHER

## EUROPE

## ASIA

## AFRICA

## LATIN AMERICA

## MIDDLE EAST

## OCEANIA

## THURSDAY'S FORECAST — CHANNEL 1

## WEATHER

## WE



## 'Beyond Hatred': A Japanese View of Hiroshima

By Christine Chapman

TOKYO — "We were beyond I, hatred. We didn't feel any more. I believed we were completely destroyed," Masaji Ibuse said of the bombing of Hiroshima. "It seemed so hopeless."

Ibuse is the author of the novel "Kuroi Ame" ("Black Rain"), a 20th-century masterpiece about the survivors of Hiroshima. The English novelist C. P. Snow once said: "Here is a novel by an elderly Japanese writer which turns into a major work of art ... I don't like throwing words like 'masterpiece' about, but if I were thinking of, say, 10 novels of high class written in the last 25 years, I think I should include this one."

At 87, Ibuse is a revered senor, or master, of Japanese literature. He has been writing novels, short stories, poetry and essays for more than 65 years. For his stories of rural Japanese, he is loved and honored by his countrymen. For "Black Rain," published in 1965, he is acclaimed throughout the world. Translated into at least a dozen languages, "Black Rain" evokes the moments and days immediately following the dropping of the atomic bomb on Hiroshima, reconstructing how the people reacted. Ibuse re-creates the experiences of the Shizuma family, and their friends and neighbors who lived in or near the city, using diaries that flash back to scenes of ordinary life and extraordinary death.

Robert Jay Lifton, the American psychiatrist who wrote the 1967 study of atomic bomb victims, "Death in Life: Survivors of Hiroshima," called "Black Rain" "a highly superior novel by a distinguished writer." While Lifton qualified its impact for him because of certain "scientific and medical inaccuracies," he praised the power of its "psychic truth" about "the pained wisdom of the 20th-century survivor."

A survivor is what Ibuse is — of the great earthquake of 1923, when he sat, badly frightened, in a field as Tokyo was destroyed; of a wartime government assignment as an unwilling reporter in Southeast Asia; of American air raids on Japan. Upon returning to Tokyo from Singapore in 1942, Ibuse

left for western Japan, where he was burned out twice by B-29 raids on Kofu and Fukuyama. In the wry, detached tone he uses in "Black Rain," he commented: "In Kofu the American army was a great success, not so good in Fukuyama."

Ibuse calls Fukuyama, 100 miles (160 kilometers) from Hiroshima, his hometown. He was born Feb. 15, 1898, in a village in Hiroshima prefecture, the second son of landowning farmers. Although he has spent most of his life in Tokyo, where he went in 1917 to enter university, Ibuse was in Fukuyama on Aug. 6, 1945, when refugees from Hiroshima arrived in trucks escaping from the devastated city. Hosted by their condition, Ibuse wrote a short story about them in 1951, then "Black Rain," whose descriptions of victims alive and dead reveal what he saw in Fukuyama.

"I didn't want to write about it right after the war," he said at his home in Tokyo. He had just finished the book he sometimes takes in the afternoon if he gets up early in the morning, to work on a new edition of his collected writings. "Only gradually did I begin it, with a story titled 'The Marriage of My Niece.' Then I began to think of writing more details about the bomb and the people."

In the novel, the hoped-for marriage of Yasuko, the country niece who lives with her city relatives, is the dominant story line as Ibuse contrasts traditional life with a scientifically altered new world. Though she was safe at work during the attack, Yasuko was marked by the black rain that fell on Hiroshima after the bombing. The rain was black because of dirt blown into it from the blast, and considered lethal because of radiation. (Lifton noted that Ibuse's belief in the deadliness of the black rain was his main inaccuracy: "Most authorities believe that there was no medically significant level" of residual radiation.)

Yasuko develops the leukemia-like A-bomb disease. An arranged marriage for her becomes impossible. Her uncle, Shizumatsu Shizuma, badly burned, tries to understand the catastrophe by writing a "Journal of the Bombing," in which he records details of daily existence amid the chaos.



Masaji Ibuse, the author of "Black Rain."

Going into Hiroshima on Aug. 10 four days after the bombing, with orders to buy coal for his company, Shizumatsu carries with him a bundle of essentials. "It was full of things necessary for survival: a bottle containing stomach pills, a trowel, old magazines, eucalyptus leaves, dried rucks, a round paper fan, and the like." Shizuma only slowly becomes aware of the fatality of his assignment in a city that has been turned to carbon, and of the inadequacy of his provisions.

A 10-volume collection of Ibuse's work will be published in the fall by Shinchosha Co. of Tokyo. One of the novels to be included is "Black Rain." At first Ibuse was reluctant to talk about the book — was reluctant, he says, even to read it again to make minor revisions for the collection.

"I don't want to read it any-

more," he insisted, "because it's about war. Gradually the image of war is fading from my mind."

Readers have written to give him additional information. He has re-examined records and corrected facts. The inclusion of such changes in the new edition involves a painstaking process for him. He is a meticulous reviser, "very strict" about his writing, according to Masaru Kawaguchi, his editor at Kodansha International, publisher of the English version of "Black Rain"; it first appeared in English in 1969, translated by John Bester.

Dressed in a heavy kimono for the damp afternoon, Ibuse sipped from a glass of whiskey. His wife, Setsuko, served bowls of green tea. Except for interludes during the war, the Ibuses have lived in a traditional Japanese house in the neighborhood of Ogikubo since their marriage in 1927.

"I'm not good at speaking without drinking," Ibuse said before returning hesitantly, to the subject of his book. He said he had done research for 20 years because "I aimed to make a documentary." In composing the novel, he used the diary of a neighbor and fishing friend from Fukuyama as well as records from city offices and other documents. The name of his fishing companion was Shizumatsu Shizumatsu, the reverse of the name used in the novel. Shizumatsu's wife was indeed named Yasuko and his wife Shigeo; they also kept diaries, the nice recording the progress of her disease, the wife describing what they are doing in the war. The family asked Ibuse to use their real names, though other people demurred. "The diaries are combinations," Ibuse said.

The real Yasuko married, and adopted a child. She and her uncle have died, but Shigeo Shizumatsu is still alive.

Known for portraying Japan's "unchanging people" — farmers, fishermen, villagers, policemen, doctors — Ibuse reveals the characteristics of provincial Japan. His characters are generous and frugal, resentful of authority yet accepting it, driven by superstitions and old customs and blindly ignorant of the outside world. Above all, as is seen most vividly in "Black Rain," they have a resignation toward life. This quality, *shizou*, or 'it can't be helped,' produces the wry humor of the novel.

In person Ibuse was subdued at first. But after the tea and whiskey give way to a Japanese feast and more whiskey, he started telling stories about Tokyo before the 1923 earthquake, about the 1923 earthquake, of beloved friends and writers (now dead) such as Ossamu Dazai and Naoya Shigeo, of his lack of success in the 1920s as an editor for a now-defunct publishing company, of the two boxes of black bread that his Russian publishers sent him, at his request, instead of royalties.

He complained, though, that "We lived too long — these days I can't write poems." He also said that though for most of his life he has been an avid fisherman, he no longer fishes; nor, he said, does he paint — 20 years ago he did studies of nudes at a studio near his

home — or drink sake. He is afraid now of too much sake, but not of Jimmie Walker Black Label. He used to drink "from morning to night," but at the moment he has too much work to do, having just completed a novella, "Chakai Nikki" (Diary of a Tea Ceremony), and compiling the new collection.

In 1917 he entered Waseda University to study French and Russian literature, and also took painting at the Japan Art School. In 1918 he wrote the first version of "The Salamander," a satire on intellectual pretense that is still his most popular story in Japan. He quarreled with a professor and left the university after his second year. After surviving the 1923 earthquake, but not his editorial job, he refused to join the leftist movement, taking a different path from many writers in the late 1920s.

In 1937, when Japan's national

ism and xenophobia was at fever pitch, he wrote a historical novel about a fisherman who went to the United States. "John Manjirō, the Castaway: His Life and Adventure," translated into English in 1940. In 1950, after his enforced wartime experiences as a journalist, he wrote a satire against militarism, "Lieutenant Lookout," translated in 1971. The Lieutenant, a fanatic during the war, remains one afterward, ordering villagers around as he once did soldiers. Formerly their hero, he is now the village idiot, though his behavior has not changed.

He has won Japan's major literary prizes: the Naoki, the Yomiuri, the Noma, the Japan Art Academy Award and, in 1960, membership in the Academy; in 1966, he received the highest national honor for artists and scholars, the Order of Cultural Merit. "Black Rain" is No. 2 on the Ministry of Education's short list of recommended reading for junior and senior high school students. "The Salamander" is No. 5.

More than 400,000 hardback and paper copies of "Black Rain" have been sold in Japan. The figure may seem low for a major work, but Kawashima, the editor at Kodansha, pointed to the Japanese dislike of antifair novels. "Black Rain" is not a happy story," he said.

Christine Chapman is a Tokyo-based writer who specializes in the arts.

## PEOPLE Defiant Chef in N. Y.

One of the United States's most renowned chefs, Paul Prudhomme of K-Paul's Louisiana Kitchen in New Orleans, celebrated a party in a Columbus Avenue restaurant to announce his arrival in New York for a five-week stay — only to be told by city health inspectors the next day that he could not open the place to give New Yorkers a sample of Cajun cooking. Prudhomme denied several health and building violations, and opened the temporary K-Paul's anyway. "We are not endangering anyone's health," he said. "Our food is good and it's clean. The violations we were cited for were grossly unfair."

When Marvin Bogner, an assistant health commissioner, was told that the restaurant had been opened, he said that inspectors would close it again and that Prudhomme could be arrested. Among the violations, Bogner said, were "massive" fly infestation, unfinished floors and walls, improper storage of meat, improperly vented ovens and lack of a valid permit. Prudhomme, famous for such Cajun dishes as blackened redfish, Cajun jambalaya and shrimp remoulade, planned to keep the "instant restaurant" in New York open only until Aug. 23. He and his staff did a similar sampler of K-Paul cooking in San Francisco two years ago and plan to go to Paris next summer.

In the courtroom, Claus von Bülow was dignified and urbane, but at home in Manhattan you might catch him in jeans and a black leather jacket. Or maybe doing his Queen Victoria imitation, putting a napkin on his head and sucking in his lower lip. That was how von Bülow, recently acquitted of twice trying to kill his rich wife, posed for the photographer Helmut Newton for the current issue of *Vanity Fair* magazine. The novelist Dominick Dunne, who wrote the accompanying article, described von Bülow's jacket as having "zips, the works, like what you'd see in one of those leather bars." Much of the article concentrates on von Bülow's girlfriend, Andrea Reynolds (who also posed in black leather) and how she charmed the media during von Bülow's trial in Newport, Rhode Island, but a former husband, Sheldon Reynolds, saw another side of her: "If Claus has to marry Andrea he will wish he'd been convicted." Dunne quotes him as saying: "Dunne wrote that von Bülow wants Robert Duvall to play him if his story is ever filmed."

The rock singer Bob Geldof, in Washington to urge more congressional aid for starving people in Africa, received the 1985 Congressional Arts Caucus award. Geldof, an organizer of the televised Live Aid concerts July 13 in Philadelphia and London, appeared at a news conference with Peter Mc'Brien, administrator for the Agency for International Development, who said AID and Live Aid would work to alleviate hunger in Africa. Earlier, the television actor Ed Asner, president of the Screen Actors Guild and a member of a group called Africa Tomorrow, told a House subcommittee on water and power resources that development projects in Africa had to be tailored to village life. Africa Tomorrow is dedicated to helping Africans achieve self-sufficiency through low-technology projects.

Two Frenchmen have arrived at

Art Buchwald is on vacation.

ANNOUNCEMENTS

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